



Carol Info Services Limited

**ANNUAL REPORT
2010-11**

Carol Info Services Limited

BOARD OF DIRECTORS

DR. G. B. PARULKAR
Chairman & Managing Director

SURESH SHENOY
Director

JAYANT MANMADKAR
Director

SHAHNAWAZ KHAN
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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DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Thirty First Annual Report of the Company and audited Accounts for the year ended March 31, 2011.

FINANCIAL PERFORMANCE

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

	Year ended 31.03.2011	(₹ in thousands) Year ended 31.03.2010
Operating Income	206,671	240,772
Other Income	593	2,863
Interest Income	374,907	305,869
Depreciation	55,163	55,902
Profit Before Exceptional Items & Tax	382,808	344,357
Exceptional Items – Income/(Expenses)	—	579,007
Profit Before Tax and After Exceptional Items	382,808	923,364
Provision for Tax	(171,944)	(256,581)
Deferred Tax (Liability)/Asset	12,142	9,306
Net Profit for the Year	223,006	676,089

SUBSIDIARIES AND OPERATIONS

There are no subsidiaries of the Company.

DIVIDEND AND RESERVES

In order to conserve the resources of the Company, the Board of Directors do not recommend any dividend on equity shares of the Company for the year ended March 31, 2011 and hence no amount has been transferred to General Reserve.

BOARD OF DIRECTORS

Mr. Anil Kamath resigned from the Directorship of the Company on December 7, 2010. The Board of Directors wish to place on record their sincere appreciation for the valuable contribution made by Mr. Anil Kamath during his tenure of the office.

Mr. Jayant Mamadkar retires by rotation as a Director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Jayant Mamadkar is a postgraduate in Commerce and CA, CS & ICWA by qualification. He has worked in the field of finance in various companies including Reliance Retail Limited. He is a Director in Vinton Healthcare Limited, Wockhardt Infrastructure Development Limited, Wockhardt Biopharm Limited and Wockhardt Maharashtra Hospital Limited and holds Chairmanship of Audit Committee of Vinton Healthcare Limited and Membership of Audit Committee of Wockhardt Biopharm Limited. 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. Shahnawaz Khan as an Additional Director on December 7, 2010 and he holds office upto the ensuing Annual General Meeting. The resolution for his appointment as 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.

VOLUNTARY DELISTING OF EQUITY SHARES

The Board of Directors of the Company at their meeting held on December 24, 2010 considered and approved the proposal received from Khorakiwala Holdings and Investments Private Limited, promoter and major shareholder of the Company to seek voluntary delisting of the Equity Shares of the Company from the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. ("Delisting Proposal"). Further, the consent of the shareholders of the Company by way of postal ballot was also obtained on February 11, 2011 to the delisting proposal. The Company has received in-principle approvals

from BSE and NSE for voluntary delisting. However, the acquirer has not made any public announcement to acquire the shares of the Company till date.

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 on March 31, 2011, 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, 2011 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

DR. G. B. PARULKAR
Chairman & Managing Director

Place : Mumbai
Date : May 27, 2011

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, 2011.

I. CONSERVATION OF ENERGY

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

No new energy conservation measures were taken during the year 2010-2011.

(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 31.03.2011	Year ended 31.03.2010
(A) Power and Fuel Consumption:		
1. Electricity		
a. Purchased		
Units (in millions)	1.936	1.684
Total Amount (in millions)	9.657	7.772
Rate/Unit (₹)	4.989	4.615
b. Own Generation Through Diesel Generator		
Units (in millions)	0.573	0.771
Unit per litre of Diesel Oil	3.37	3.37
Cost/Unit (₹)	10.42	8.52
2. Coal	N.A.	N.A.
Quantity	—	—
Total Cost	—	—
Average Rate	—	—
3. Furnace Oil & LSHS		
Quantity (Kilo – litres)	1231.803	1224.833
Total Amount (in millions)	40.543	33.518
Average Rate	32.91	27.36
4. Natural Gas	N.A.	N.A.
Quantity (unit NM ₃)	—	—
Total Amount (in millions)	—	—
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 31.03.2011	Year ended 31.03.2010
(₹ in thousand)		
(A) Total Foreign Exchange Used		
(i) On input of raw materials, spare parts and capital goods	Nil	Nil
(ii) Expenditure in foreign currency for business travels, books and periodicals membership subscription, commission on sales and R & D expenses	Nil	Nil
(iii) Others	154	174
(B) Total Foreign Exchange Earned	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in and continues to practice good corporate governance. The Company's philosophy on Corporate Governance envisages working towards high level of transparency, accountability, integrity, equity and compliance with rules and regulations.

BOARD OF DIRECTORS

The Board consists of an optimal blend of Executive and Non-Executive Directors having in-depth knowledge and experience. As on March 31, 2011, the Board comprises of 4 directors of which one is Executive Director and three are independent & non-executive directors. The composition of the Board complies with the requirements of the Code.

During the year ended March 31, 2011, Nine Board Meetings were held on April 1, 2010, May 7, 2010, May 27, 2010, August 12, 2010, November 12, 2010, December 7, 2010, December 24, 2010, January 6, 2011 and February 11, 2011.

The composition of the Board of Directors along with the number of outside directorships and committee positions as on March 31, 2011, 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	Number of other Directorships Held ⁽⁴⁾	Number of other Board Committees of which Member/Chairman ⁽⁵⁾	Number of Board meetings attended	Attendance at the last Annual General Meeting (September 30, 2010)
Dr. G. B. Parulkar, Chairman & Managing Director	Whole-time Director (Executive)	1	Nil	9	Yes
Mr. Anil Kamath ⁽¹⁾	Non-Executive (Independent)	6	2 (as Member)	5	No
Mr. Suresh Shenoy	Non-Executive (Independent)	Nil	Nil	9	Yes
Mr. Jayant Manmadkar ⁽²⁾	Non-Executive (Independent)	4	1 (as Chairman) 1 (as Member)	8	Yes
Mr. Shahnawaz Khan ⁽³⁾	Non-Executive (Independent)	4	1 (as Member)	4	Not Applicable

(1) Mr. Anil Kamath has resigned from the Directorship of the Company w.e.f. December 7, 2010. Further, the number of other Directorships and Board committees held by him provided in above table are as on December 7, 2010.

(2) Mr. Jayant Manmadkar was appointed as a Non-Executive Independent Director of the Company w.e.f. May 7, 2010.

(3) Mr. Shahnawaz Khan was appointed as Non-Executive Independent Director of the Company w.e.f. December 7, 2010.

(4) 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.

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

None of the Non-executive Directors hold any shares/convertible instruments of the Company.

The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Clause 49(IV)(G)(1) of the Listing Agreement are given in the Notice and Directors' Report respectively.

AUDIT COMMITTEE

As on March 31, 2011, the Audit Committee comprises of Three Non-Executive Independent Directors namely Mr. Jayant Manmadkar (Chairman), Mr. Suresh Shenoy (Member) and Mr. Shahnawaz Khan (Member).

During the year under review, four meetings of the Audit Committee were held on May 27, 2010, August 12, 2010, November 12, 2010 and February 11, 2011.

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The composition of the Committee as on March 31, 2011 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. Jayant Manmadkar (Chairman) ⁽¹⁾	Non-Executive (Independent)	B.Com. (Hons.), CA, CS, ICWA	4
Mr. Anil Kamath ⁽²⁾	Non-Executive (Independent)	B.Com. (Hons.), MIMA, AMRSH (Lon.), MBIM (Lon.), FCA	3
Mr. Suresh Shenoy	Non-Executive (Independent)	B.A. (Hons.) with Mathematics	4
Mr. Shahnawaz Khan ⁽³⁾	Non-Executive (Independent)	B.Com. (Hons.), ICWA	1

(1) Mr. Jayant Manmadkar was appointed as Chairman of the Committee w.e.f. May 7, 2010.

(2) Mr. Anil Kamath ceased to be Member of the committee w.e.f. December 7, 2010.

(3) Mr. Shahnawaz Khan was appointed as Member of the committee w.e.f. December 7, 2010.

Ms. Amruta Avasare, Company Secretary acts as a Secretary to the Audit Committee.

The terms of Reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the provisions of Clause 49(II) of the listing agreements with the Stock Exchanges which *inter-alia* includes oversight of financial reporting process, reviewing the quarterly results and annual financial statements, recommending appointment/re-appointment of auditors, fixation of audit fees, approval of payment to auditors for any other services, discussion of audit plan, reviewing accounting policies and practices, adequacy of internal controls and internal audit systems, discussions with internal auditors on any significant findings and follow up action, reviewing related party transactions, risk management policies and practices, investments made by subsidiaries and internal audit reports.

INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee specifically looks into redressing of shareholders and investors complaints such as transfer of shares, non-receipt of shares, non-receipt of dividends.

During the year ended March 31, 2011, four meetings of the Committee were held on May 27, 2010, August 12, 2010, November 12, 2010 and February 11, 2011.

As on March 31, 2011, the Investors Grievance Committee comprises of Three Non-Executive Independent Directors namely Mr. Jayant Manmadkar (Chairman), Mr. Suresh Shenoy (Member) and Mr. Shahnawaz Khan (Member). The composition of the Investor Grievance Committee as on March 31, 2011 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. Jayant Manmadkar (Chairman) ⁽¹⁾	Non-Executive (Independent)	4
Mr. Anil Kamath ⁽²⁾	Non-Executive (Independent)	3
Mr. Suresh Shenoy	Non-Executive (Independent)	4
Mr. Shahnawaz Khan ⁽³⁾	Non-Executive (Independent)	1

(1) Mr. Jayant Manmadkar was appointed as Chairman w.e.f. May 7, 2010.

(2) Mr. Anil Kamath ceased to be Member of the committee w.e.f. December 7, 2010.

(3) Mr. Shahnawaz Khan was appointed as Member of the committee w.e.f. December 7, 2010.

Ms. Amruta Avasare, Company Secretary is designated as the Compliance Officer of the Company.

During the year under review, 41 complaints were received from the shareholders and the same were duly resolved as per the summary given below:

Nature of communication	Received	Resolved
Non-receipt of Share Certificate	19	19
Non-receipt of Dividend Warrant	13	13
Non-receipt of End Sticker	1	1
Non-receipt of Exchange Share Certificate	6	6
Non-receipt of Replacement/Split Certificate	1	1
Non-receipt of Bonus Share Certificate	1	1

As on March 31, 2011, 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 2010-11 as per the shareholder's resolution. The term of office of Dr. G. B. Parulkar is till January 1, 2012.

(b) Independent Non-Executive Directors

During the year, the Non-Executive Directors were neither paid any remuneration nor sitting fees nor granted any loans or advances.

There is no provision for payment of severance fees and no performance linked incentives are paid to any Director. The notice period is governed by service rules of the Company.

No stock options have been granted during the year under review to any of the above directors.

GENERAL BODY MEETINGS

(a) Details of last three Annual General Meetings are as under:

AGM	Day, Date and Time of AGM	Venue
28th AGM	Tuesday, September 30, 2008 at 3.00 p.m.	Merind Limited, Mulund-Goregaon Link Road, Bhandup (West), Mumbai-400 078.
29th AGM	Wednesday, September 30, 2009 at 3.00 p.m.	Merind Limited, Mulund-Goregaon Link Road, Bhandup (West), Mumbai-400 078.
30th AGM	Thursday, September 30, 2010 at 3.00 p.m.	Shagun Banquet Hall, Devidayal Road, L.B.S Cross Road, Behind Fire Brigade Office, Mulund (West), Mumbai-400 080.

No special resolutions were passed in aforesaid three Annual General Meetings.

(b) Postal Ballot:

During the year ended March 31, 2011, the members of the Company passed one special resolution through Postal Ballot for Voluntary Delisting of the equity shares of the Company from Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Mr. Virendra G. Bhatt was appointed as the Scrutinizer for conducting the Postal Ballot and based on his report, the Postal Ballot results were declared.

The details of Postal Ballot procedure, voting process is as under:

The Board of Directors of the Company at their meeting held on January 6, 2011 approved the postal ballot notice and calendar of events. The postal ballot form and self-addressed pre-paid postage envelope were despatched to the shareholders on January 11, 2011. The last date for receipt of the Postal Ballot Form from the shareholders was February 10, 2011.

Mr. Virendra G. Bhatt submitted his report dated February 11, 2011 to the Chairman and based on the said report, results of Postal Ballot were declared on February 11, 2011 as under:

Result for Special Resolution for Voluntary Delisting of Equity Shares of the Company:

(A) (i) Total Postal Ballot Received:

Details of Ballots Received	Number of Postal Ballot	No of Shares
Valid Ballots	489	30,801,139
Invalid Ballots	78	14,368
Total	567	30,815,507

(ii) Total votes:

Details of Valid Ballots		No. of Ballots	No. of Shares	Percentage (%) of shareholding voted
Assent		289	30,707,461	99.70
Dissent		186	90,698	0.29
Neutral	Partial Voted	—	100	0.00
	Not Voted	14	2,880	0.01
Total		489	30,801,139	100.00

Carol Info Services Limited

(B) (i) Postal Ballot Received From Shareholder Other than Promoter:

Details of Ballots Received	Number of Postal Ballot	No of Shares
Valid Ballots	476	8,216,381
Invalid Ballots	78	14,368
Total	554	8,230,749

(ii) Votes by shareholders other than promoters:

Details of Valid Ballots		No. of Ballots	No. of Shares	Percentage (%) of shareholding voted
Assent		276	8,122,703	98.86
Dissent		186	90,698	1.10
Neutral	Partial Voted	—	100	0.00
	Not Voted	14	2,880	0.04
Total		476	8,216,381	100.00

(C) (i) Postal Ballot Received from Promoter:

Details of Ballots Received	Number of Postal Ballot	No of Shares
Valid Ballots	13	22,584,758
Invalid Ballots	—	—
Total	13	22,584,758

(ii) Votes by promoters:

Details of Valid Ballots		No. of Ballots	No. of Shares	Percentage (%) of shareholding voted
Assent		13	22,584,758	100.00
Dissent		—	—	—
Neutral	Partial Voted	—	—	—
	Not Voted	—	—	—
Total		13	22,584,758	100.00

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, Management Discussion and Analysis Report for the financial year ended March 31, 2011 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. In terms of clause 49(v) of the listing agreement, the Managing Director and Chief Financial Officer have certified to the Board with regards to the Financial Statements for the year ended March 31, 2011.

(b) Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics adopted by the Company has been posted on the website 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 and ethics for the year ended March 31, 2011. The declaration to this effect signed by Dr. G. B. Parulkar, Managing Director forms part of this report as Annexure 1.

(c) Related Party Transactions

During the year under review, there were no materially significant related party transactions, i.e., transactions of material nature with its promoters, directors, management or their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large. The Independent Directors on the Company's Board, apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board affect the independence of judgment

of the Directors. The register of contracts/arrangements containing the transactions in which the Directors are interested, if any, is placed before the Board regularly for its approval and is signed by the Directors present at the meeting. Statement in summary form of transactions with related parties is placed before the audit committee for review. In compliance with Accounting Standard 18, transactions with related parties are disclosed in the notes to Accounts.

(d) Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by the Clause 49 of the Listing Agreement. 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.carolininfoservices.com.

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Virendra Bhatt, Practicing Company Secretary regarding compliance of conditions of corporate governance for the year ended March 31, 2011 is enclosed along with this report as Annexure 2.

GENERAL SHAREHOLDER INFORMATION

1. 31ST ANNUAL GENERAL MEETING

Day, Date & Time	Friday, September 30, 2011 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. FINANCIAL YEAR & TENTATIVE FINANCIAL CALENDAR FOR THE YEAR 2011-12

Financial Year	April 1 to March 31
Results of Quarter ending June 30, 2011	On or before August 14, 2011
Results of Quarter ending September 30, 2011	On or before November 14, 2011
Results of Quarter ending December 31, 2011	On or before February 14, 2012
Results for year ending March 31, 2012	On or before May 30, 2012
Annual General Meeting for the year ending March 31, 2012	On or before September 30, 2012

3. DATE OF BOOK CLOSURE FOR ANNUAL GENERAL MEETING

September 23, 2011 to September 30, 2011 (both days inclusive).

4. DIVIDEND PAYMENT DATE

The Board has not recommended any dividend for the year ended March 31, 2011.

5. LISTING ON STOCK EXCHANGES AND SECURITY CODES

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

The Company has paid the annual listing fees for the year 2011-2012 to all of the above stock exchanges.

6. CORPORATE IDENTITY NUMBER (CIN)

L74999MH1979PLC021942

Carol Info Services Limited

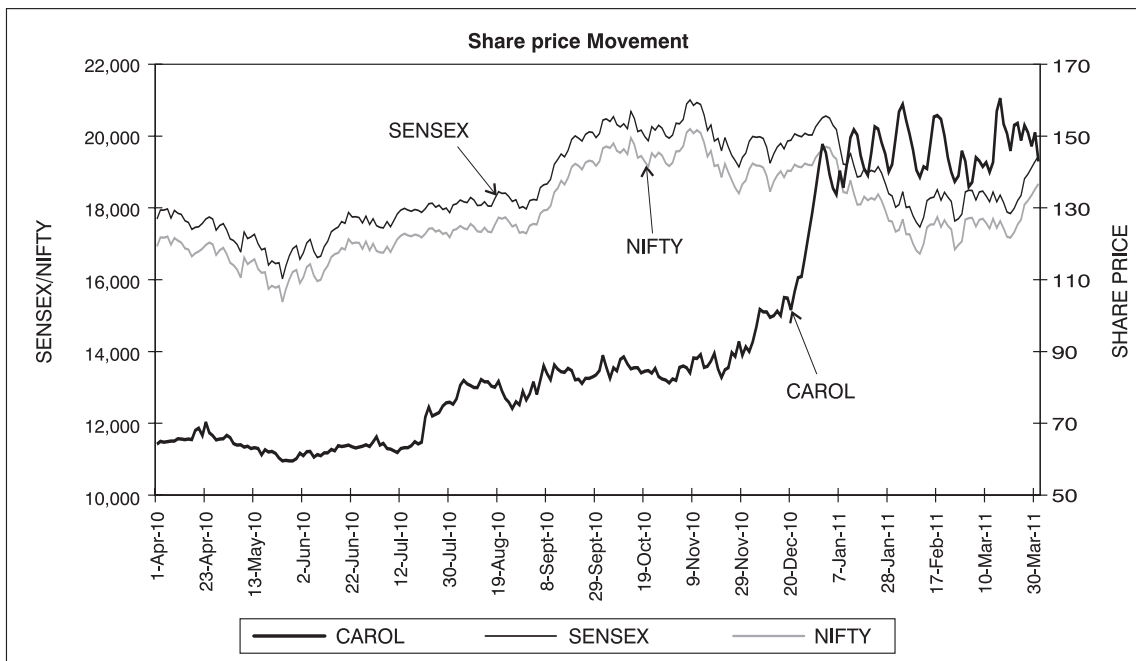
7. MARKET PRICE DATA

High/Low and number of shares traded during each month in the financial year 2010-2011 on BSE and NSE.

Monthly Share Price movement during 2010-11 at BSE & NSE						
Month	B S E			N S E		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April – 2010	72.60	57.60	426,902	71.95	57.10	489,118
May – 2010	68.30	58.05	94,071	67.85	58.50	116,730
June – 2010	68.80	59.15	472,987	67.00	59.05	461,980
July – 2010	79.00	61.55	993,391	79.90	61.00	1,700,069
August – 2010	84.90	73.35	512,729	85.25	73.00	456,351
September – 2010	88.00	76.00	223,108	87.90	75.00	153,317
October – 2010	90.60	80.00	124,612	91.00	78.00	88,841
November – 2010	94.50	80.00	284,560	93.45	80.05	106,975
December – 2010	150.70	89.30	898,445	148.70	88.80	748,322
January – 2011	160.90	128.85	773,244	159.00	130.10	232,321
February – 2011	164.15	132.75	158,055	166.50	133.50	185,650
March – 2011	161.60	135.00	147,053	161.30	130.10	838,919

Source : Website of BSE and NSE

8. STOCK PERFORMANCE INDEX (2010-11)



Source : Website of BSE and NSE

9. 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
 Email: carol@linkintime.co.in
 Website: www.linkintime.co.in

Collection Center (for acceptance of documents):

203, Davar House, Next to Central Camera
 197/199, D.N. Road, Fort, Mumbai - 400 001
 Time: 9.30 a.m. – 6.00 p.m. (Monday to Friday except bank holidays)
 Contact Person: Mr. Vivek Limaye
 Tel: 022 2269 4127

10. SHARE TRANSFER SYSTEM

The shares in dematerialized mode are transferable through depositories. The shares in physical mode lodged for transfer are processed by Registrar & Transfer Agents. In order to expedite the process of share transfers, the Board has delegated the powers severally to Chairman, Managing Director and Company Secretary. The Company Secretary looks after share transfer, transmission, issue of duplicate share certificates, split and consolidation of shares every weekly. The Share transfer requests received at the Registrars & Transfer Agents are normally processed and delivered within

21 days from the date of lodgement if the documents are complete in all respects. Requests for dematerialization of shares are processed and the confirmation is given to depositories within 15 days from receipt if the documents are in order.

11. DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2011

Slab of Shareholdings No. of Shares	No. of Shareholders	% of Total No. of Shareholders	Amount in ₹	% to total amount
1 – 500	18,617	95.65	23,566,630	6.65
501 – 1,000	502	2.58	4,064,420	1.14
1,001 – 2,000	176	0.90	2,698,130	0.76
2,001 – 3,000	58	0.30	1,519,080	0.43
3,001 – 4,000	23	0.12	845,180	0.24
4,001 – 5,000	17	0.09	806,020	0.23
5,001 – 10,000	29	0.15	2,194,560	0.62
Above 10,000	41	0.21	318,670,700	89.93
Total	19,463	100.00	354,364,720	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2011

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
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	700	7,000	0.00
Bodies Corporate	4,984,228	49,842,280	14.07
Non-resident Indians	2,298,534	22,985,340	6.49
Shares Representing GDRs	147,920	1,479,200	0.41
Other Public	4,492,965	44,929,650	12.68
Clearing Member	782,367	7,823,670	2.21
Trusts	500	5,000	0.00
Total	35,436,472	354,364,720	100.00

12. DEMATERIALISATION OF SHARES & LIQUIDITY

The Equity shares of the Company are traded compulsorily in the electronic form and available for trading with both the Depositories in India, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2011, 12,070,651 equity shares representing 34.06% of the Company's total paid-up capital were held in dematerialized mode. Out of the public shareholding of 12,703,794 equity shares 11,713,373 equity shares, representing 92.20% of public holding, is in dematerialised form. The International Securities Identification Number (ISIN) assigned to company's equity shares is INE198A01014.

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, 2011 are 147,920 representing 147,920 equity shares of ₹ 5/- each constituting 0.41% of paid-up capital of the Company. The Company does not have any other outstanding convertible instruments except GDRs. There will be no impact of conversion of GDRs as the Company has allotted underlying shares.

14. ADDRESS FOR CORRESPONDENCE

Shareholders should address their correspondence to the Company's Registrar, Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai-400 078; Tel. No. 022 2594 6970-78, Email: carol@linkintime.co.in

Shareholders may also contact Ms. Amruta Avasare, Company Secretary at the Registered Office of the Company at City Survey No. 681, Village Nahur, Mulund-Goregaon Link Road, Bhandup (West), Mumbai-400 078 for any assistance. Tel. Nos. 022 2566 3959 Email: investorrelations@carolinfoservices.com.

Shareholders holding shares in dematerialized form are requested to intimate their correspondence relating to their Bank details, ECS mandates, nominations, power of attorney, change of address, etc. to their respective Depository Participant.

Carol Info Services Limited

15. FACTORY ADDRESS

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

For and on behalf of the Board Directors

Place : Mumbai
Date : May 27, 2011

DR. G. B. PARULKAR
Chairman & Managing Director

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT AND BUSINESS ETHICS

Pursuant to the requirements of Clause 49(I)(D) of the Listing Agreement, I hereby confirm that the Company has received affirmations on compliance with code of conduct and business ethics for the financial year ended March 31, 2011 from all the Board Members and the Senior Management Personnel.

For **CAROL INFO SERVICES LIMITED**

Place : Mumbai
Date : May 27, 2011

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, 2011**, 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, 2011

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. Contract manufacturing in India is growing rapidly catering to both domestic and international pharmaceutical companies.

OUTLOOK ON OPPORTUNITIES

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 expected to grow at approximately 21%. Nutraceuticals in India are considered drugs, unlike the over-the-counter status they have in western countries, 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, Pharma 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 its manufacturing facility.

SEGMENT-WISE PERFORMANCE

The Company operates in service segment. For the year ended March 31, 2011, income from contract manufacturing amounted to ₹ 147,699 thousand and income from renting of immovable property amounted to ₹ 52,034 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 31, 2011 amounted to ₹ 206,671 thousand as against ₹ 240,772 thousand in previous year. The total income for the year ended March 31, 2011 amounted to ₹ 611,909 thousand as compared to ₹ 1,102,458 thousand in previous year. The said reduction in total income was due to reduction of interest income and rent income.

During the year ended March 31, 2011, total expenditure reduced from ₹ 229,101 thousand to ₹ 758,101 thousand due to substantial reduction of interest expenses from ₹ 552,954 thousand to ₹ 29,738 thousand.

Due to reduction of total expenditure, the profit before tax and exceptional items for the year ended March 31, 2011 is ₹ 382,808 thousand, as compared to ₹ 344,357 thousand in previous year, thereby recording growth of 11%. However, the profit after tax for the year ended March 31, 2011 reduced from ₹ 676,089 thousand to ₹ 223,006 thousand. This was due to the net exceptional income of ₹ 579,007 thousand earned by the Company for the year ended March 31, 2010 which mainly comprised of profit on sale of commercial premises.

HUMAN RESOURCES

The Company has 100 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, 2011 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, 2011, which have been taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 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, 2011,
 - 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 M. No. 41037

Place : Mumbai
Date : May 27, 2011

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 off 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. (a) 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. Accordingly, requirements of sub-clause (b) of clause (v) is not applicable.
- 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, 2011 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 (₹ In thousands)	Period to which the amount relates	Forum where dispute is pending
Bombay Sales Tax Act, 1959	Sales Tax Dues	1219.43	A.Y. 93-94	Appellate Tribunal
		3794.05	A.Y. 94-95	Appellate Tribunal
		3404.56	A.Y. 95-96	Appellate Tribunal
		2714.41	A.Y. 96-97	Appellate Tribunal
		2773.14	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 no accumulated losses at the end of the financial year nor has it 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. The Company does not have any term loans. Hence, the requirements of clause (xvi) are not applicable.
- 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.
- xix. The Company has not issued any debentures. Hence, the requirements of clause (xix) are not applicable.
- 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 M. No. 41037

Place : Mumbai
Date : May 27, 2011

Carol Info Services Limited

BALANCE SHEET AS AT MARCH 31, 2011

(All amounts in thousands of Indian ₹)

	Notes	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	3	354,365	354,365
Reserves and surplus	4	4,917,625	4,694,619
		<u>5,271,990</u>	<u>5,048,984</u>
LOAN FUNDS			
Unsecured loans	5	382,446	369,282
		<u>382,446</u>	<u>369,282</u>
DEFERRED TAX LIABILITY (Net)	2 (g) & 6	89,191	101,333
		<u>5,743,627</u>	<u>5,519,599</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	2(a) & 7		
Gross block		2,018,426	2,011,866
Accumulated depreciation		(777,185)	(724,151)
Net block		<u>1,241,241</u>	<u>1,287,715</u>
Capital work-in-progress and advances		4,797	1,239
		<u>1,246,038</u>	<u>1,288,954</u>
INVESTMENTS	2(c) & 8	209,493	209,493
CURRENT ASSETS, LOANS AND ADVANCES			
	2(d) & 9		
Inventories		5,839	5,974
Sundry debtors	10	7,906	4,230
Cash and bank balances	11	14,589	10,797
Loans and advances	12	4,760,610	4,589,086
	A	<u>4,788,944</u>	<u>4,610,087</u>
CURRENT LIABILITIES AND PROVISIONS			
	13		
Current liabilities		(495,177)	(501,892)
Provisions		(5,671)	(87,043)
	B	<u>(500,848)</u>	<u>(588,935)</u>
NET CURRENT ASSETS	(A - B)	<u>4,288,096</u>	<u>4,021,152</u>
		<u>5,743,627</u>	<u>5,519,599</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, 2011

A. N. Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Suresh Shenoy
Jayant B. Manmadkar
Shahnawaz Khan

} Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2011

(All amounts in thousands of Indian ₹)

	Notes	For the year ended 31.03.2011	For the year ended 31.03.2010
INCOME			
Sales and services	2(f) & 14	206,671	240,772
Other income	15	593	2,863
Interest income	16	404,645	858,823
		611,909	1,102,458
EXPENDITURE			
Purchase of finished goods		1,154	731
Operating and other expenses	18	143,046	148,514
Depreciation	2(a) & 7	55,163	55,902
Interest expense	17	29,738	552,954
		229,101	758,101
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		382,808	344,357
<i>Add:</i> Exceptional Items – Income/(Expenses), net	25	—	579,007
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		382,808	923,364
Provision for tax	2 (g)	(138,587)	(256,581)
Deferred tax	2 (g) & 6	12,142	9,306
Income tax of earlier years	27	(33,357)	—
NET PROFIT FOR THE YEAR		223,006	676,089
Profit and Loss Account, beginning of the year		464,230	70,785
AMOUNT AVAILABLE FOR APPROPRIATION		687,236	746,874
APPROPRIATIONS			
Proposed Dividend on Equity Shares		—	70,873
Tax on Dividend		—	11,771
Transferred to general reserve		—	200,000
PROFIT AND LOSS ACCOUNT, end of the year		687,236	464,230
		687,236	746,874
Earnings per share:			
	20		
Basic & Diluted ₹		6.29	19.08
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, 2011

A. N. Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Suresh Shenoy
Jayant B. Manmadkar
Shahnawaz Khan

} Directors

Carol Info Services Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011

(All amounts in thousands of Indian ₹)

	31.03.2011	31.03.2010
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	382,808	923,364
Adjustments to reconcile profit before tax to cash provided by operations:		
Depreciation	55,163	55,902
Amortisation of expenses/write off of fixed assets	—	394
Liabilities no more payable	(450)	(767)
Foreign exchange gain	(2)	—
(Profit)/loss on sale of fixed assets, net	(44)	(579,110)
Interest expense	29,738	552,954
Interest income	(404,645)	(858,823)
Operating profit before working capital changes	62,568	93,914
(Increase)/decrease in current assets, loans and advances		
Inventories	136	(906)
Sundry debtors	(3,675)	109
Loans and advances	(75)	95,529
Increase/(Decrease) in current liabilities and provisions	(5,726)	109,257
Cash provided by operations	53,228	297,903
Tax paid	(207,866)	(165,394)
Net cash used in operating activities	(154,638)	132,509
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress	(12,247)	(1,298)
Proceeds from sale of fixed assets	44	685,726
Loan to Companies, net	(113,079)	2,056,209
Interest received	404,645	858,823
Net cash provided by investing activities	279,363	3,599,460
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
(Repayment of)/Proceeds from long-term borrowings, net	(9,285)	(2,998,540)
Interest paid	(29,738)	(643,634)
Dividend paid	(81,910)	(82,159)
Net cash used in financing activities	(120,933)	(3,724,333)
NET INCREASE IN CASH AND BANK BALANCES	3,792	7,636
CASH AND BANK BALANCES, beginning of year	10,797	3,161
CASH AND BANK BALANCES, end of year	14,589	10,797

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, 2011

A. N. Avasare
Company Secretary

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

Suresh Shenoy
Jayant B. Manmadkar
Shahnawaz Khan

} Directors

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

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

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 31.03.2011	As at 31.03.2010
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 in earlier years.		
(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 in earlier years.		
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
Less: Transferred to general reserve	—	(416,667)
	—	—
General reserve		
Opening balance	<u>1,216,889</u>	600,222
Transferred (to)/from Profit and Loss Account	—	200,000
Transferred from debenture redemption reserve	—	416,667
Balance at the end of the year	<u>1,216,889</u>	<u>1,216,889</u>
Profit and Loss Account	<u>687,236</u>	<u>464,230</u>
	<u>4,917,625</u>	<u>4,694,619</u>

(₹ in Thousands)

As at
31.03.2011 As at
31.03.2010

5. UNSECURED LOANS

Long term

Sales Tax Deferral Loan 20,555 29,834

[out of the above ₹ 7,751 thousand (Previous Year – ₹ 9,487 thousand) is repayable within one year]

Short term (repayable within one year)

Loan from companies 361,891 339,448

382,446 369,282

6. DEFERRED TAX LIABILITY

Deferred tax liabilities

Depreciation on fixed assets 90,626 102,828

Total (A) 90,626 102,828

Deferred tax assets

Provision for Gratuity 780 743

Provision for Leave Encashment 655 752

Total (B) 1,435 1,495

Deferred tax liability (A-B) 89,191 101,333

Net deferred tax liability as of the year end 89,191 101,333

Less: Opening Deferred Tax Liability 101,333 110,639

Deferred tax (credit)/charge for the year (12,142) (9,306)

7. FIXED ASSETS

BLOCK OF ASSET	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions during the year	Deletions/ Adjustments during the year	As at 31.03.2011	As at 01.04.2010	Charge for the year	Deletions/ Adjustments during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Freehold land	7,843	—	—	7,843	—	—	—	—	7,843	7,843
Leasehold land	195,141	—	—	195,141	26,972	2,634	—	29,606	165,535	168,169
Buildings	1,043,765	—	—	1,043,765	180,333	19,186	—	199,519	844,246	863,432
Plant and machinery	518,338	6,008	—	524,346	306,927	25,978	—	332,905	191,441	211,411
Furniture and fixtures	105,666	143	—	105,809	69,771	6,466	—	76,237	29,572	35,895
Office equipments	44,965	24	—	44,989	44,285	299	—	44,584	405	680
Information Technology equipments	87,435	37	—	87,472	87,150	216	—	87,366	106	285
Vehicles	8,713	2,477	2,129	9,061	8,713	384	2,129	6,968	2,093	—
Total	2,011,866	8,689	2,129	2,018,426	724,151	55,163	2,129	777,185	1,241,241	1,287,715
Capital Work-in-Progress (inclusive of Capital advances)									4,797	1,239
Grand Total	2,011,866	8,689	2,129	2,018,426	724,151	55,163	2,129	777,185	1,246,038	1,288,954
As at 31.03.2010	2,146,530	15,668	150,332	2,011,866	711,571	55,902	43,322	724,151	1,288,954	

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

Assets given on lease	2011			2010		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Buildings	830,734	140,170	690,564	830,734	126,215	704,519
Furniture and fixtures	66,740	47,300	19,440	66,740	43,095	23,645
Office equipments	28,301	28,248	53	28,301	28,080	221
Plant and machinery	156,177	116,699	39,478	156,177	108,129	48,048
Total	1,081,952	332,417	749,535	1,081,952	305,519	776,433

	As at 31.03.2011	As at 31.03.2010
8. 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>
9. INVENTORIES		
(As Taken, Valued and Certified by the Management)		
Stores and spare parts	5,839	5,974
	<u>5,839</u>	<u>5,974</u>
10. SUNDRY DEBTORS (Unsecured)		
Outstanding for more than six months		
Considered good	1,185	278
Considered doubtful	100	100
	<u>1,285</u>	<u>378</u>
Less: Provision for doubtful debts	(100)	(100)
	<u>1,185</u>	<u>278</u>
Other debts		
Unsecured, considered good	6,721	3,952
	<u>7,906</u>	<u>4,230</u>
11. CASH AND BANK BALANCES		
Cash on hand	590	414
Balances with scheduled banks		
— in current accounts	13,899	10,283
— in margin accounts	100	100
	<u>14,589</u>	<u>10,797</u>
12. LOANS AND ADVANCES (Unsecured, considered good)		
Loans to Companies		
Considered good	4,636,194	4,500,671
Considered doubtful	117,664	117,664
	<u>4,753,858</u>	<u>4,618,335</u>
Less: Provision for doubtful advances	(117,664)	(117,664)
	<u>4,636,194</u>	<u>4,500,671</u>
Loans to others	630	428
Share application money	255	255
Advances recoverable in cash or in kind or for value to be received	3,878	4,474
Balance with customs, excise and sales tax authorities	540	189
Other Deposits	6,100	5,979
Advance tax, net of provision for tax	113,013	77,090
	<u>4,760,610</u>	<u>4,589,086</u>

(₹ in Thousands)

	As at 31.03.2011	As at 31.03.2010
13. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors – Micro and small enterprises [see note 19 (f)]	—	—
– Others	19,531	16,813
Security deposits	465,629	275,744
Investor Education and Protection Fund shall be credited as and when due by the following amount namely:		
– Unclaimed dividends	3,017	2,283
Other liabilities	7,000	207,052
	<u>495,177</u>	<u>501,892</u>
PROVISIONS		
Proposed dividend	—	70,873
Tax on proposed dividend	—	11,771
Provision for gratuity	2,848	2,187
Provision for leave encashment	2,823	2,212
	<u>5,671</u>	<u>87,043</u>
	<u>500,848</u>	<u>588,935</u>
	For the year ended 31.03.2011	For the year ended 31.03.2010
14. SALES AND SERVICES		
Sale of goods	1,576	926
Processing charges received	147,699	143,279
Services	5,362	4,582
Rent Income	52,034	91,985
	<u>206,671</u>	<u>240,772</u>
15. OTHER INCOME		
Profit on sale of assets	44	102
Miscellaneous income *	549	2,761
	<u>593</u>	<u>2,863</u>
* Miscellaneous income to the extent of ₹ 450 thousand (Previous Year – ₹ 767 thousand) is on account of liabilities no more payable.		
	For the year ended 31.03.2011	For the year ended 31.03.2010
16. INTEREST INCOME		
Interest Received [TDS ₹ 40,464 thousand (Previous Year – ₹ 85,653 thousand)]	404,645	858,823
17. INTEREST EXPENSE		
Fixed	—	357,182
Debentures	—	185,259
Others	29,738	10,513
	<u>29,738</u>	<u>552,954</u>
18. OPERATING AND OTHER EXPENSES		
Salaries, wages and bonus	31,633	28,037
Retirement benefits	1,886	617
Company's contribution to provident and other funds	1,396	1,113
Staff welfare expenses	4,143	3,671
Travelling expenses	871	693
Power and fuel	61,060	51,930
Rent	500	18,408
Rates and taxes	8,240	7,081
Maintenance and repairs		
Machinery	3,106	3,407
Buildings	3,803	5,354
Stores and spare parts consumed	4,710	3,742
Insurance	614	1,003
Provision for doubtful debts	—	100
Legal and professional charges	4,309	7,705
Consultancy charges	1,610	2,651
General expenses	15,165	13,002
	<u>143,046</u>	<u>148,514</u>

Carol Info Services Limited

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

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Value ₹ in thousands	%	Value ₹ in thousands	%
Stores and Spare Parts				
Imported	554	12%	—	—
Indigenously Procured	4,156	88%	3,742	100%
	<u>4,710</u>	<u>100%</u>	<u>3,742</u>	<u>100%</u>
(b) Installed capacity				
Powder (in Kgs.)	<u>4,000,000</u>		<u>4,000,000</u>	
			<u>Apr. 10- Mar. 11</u>	<u>Apr. 09- Mar. 10</u>
(c) Auditor's Remuneration:				
Audit Fees			590	540
Tax Audit Fees			110	110
Out of pocket expenses			25	—
			<u>725</u>	<u>650</u>
(d) Expenditure in Foreign Currency				
Others			<u>154</u>	<u>174</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, 2011 ₹ 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

	31.03.2011 ₹ in thousands	31.03.2010 ₹ in thousands
Reconciliation of earnings		
Net profit attributable to equity shareholders		
Profit after tax for the year	<u>223,006</u>	<u>676,089</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	6.29	19.08

21. SEGMENT INFORMATION

Primary Segments

The Company is operating in contract manufacturing 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 14 – Sales and services. Future lease rentals receivable 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 Receivable	2011	52,034	49,116	45,326	—
	2010	62,854	2,671	6,759	—

(₹ in thousands)

(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	2011	500	509	475	—
	2010	18,408	455	760	—

23. RELATED PARTY DISCLOSURES

(a) Parties where control exists

Holding company: Khorakiwala Holdings and Investments Private Limited

Fellow Subsidiary: Wockhardt 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

(c) Transactions with related parties during the year

	Apr. 10- Mar. 11	Apr. 09- Mar. 10
<i>Holding company</i>		
Rent paid	100	100
Dividend paid	42,421	42,421
Interest received	158,600	228,494
Loan given	—	265,200
Loan repaid	49,500	102,000

Note: Maximum loans given to holding company at any point of time was ₹ 1,865,886 thousand (Previous Year – ₹ 1,772,647 thousand)

Carol Info Services Limited

	Apr. 10- Mar. 11	Apr. 09- Mar. 10
<i>Fellow Subsidiary Company</i>		
Rent received	52,140	51,732
Processing charges received	147,699	143,279
<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	1,997	32,125
[Wockhardt Hospitals Limited ₹ 1,997 thousand (Previous Year – ₹ 32,125 thousand)]		
Loan given	202	798,646
[Palanpur Holdings and Investments Private Limited ₹ Nil (Previous Year – ₹ 6,650 thousand), Merind Limited ₹ Nil (Previous Year – ₹ 60,150 thousand), Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 731,846 thousand), Holmdene Constructions ₹ 202 thousand (Previous Year – ₹ Nil)]		
Loan repaid	23,000	3,492,623
[Palanpur Holdings & Investments Private Limited ₹ 23,000 thousand (Previous Year – ₹ 1,300 thousand), Merind Limited ₹ Nil (Previous Year – ₹ 466,779 thousand), Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 3,024,544 thousand)]		
Loan taken	14,537	156,807
[Wockhardt Hospitals Limited ₹ 605 thousand (Previous Year – ₹ 32,096 thousand), Merind Limited ₹ 13,932 thousand (Previous Year – ₹ 124,711 thousand)]		
Loan repaid	—	1,345
[Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 345 thousand), Merind Limited ₹ Nil (Previous Year – ₹ 1,000 thousand)]		
Interest income	103,661	466,336
[Palanpur Holdings & Investments Private Limited ₹ 103,661 thousand (Previous Year – ₹ 116,442 thousand), Merind Limited ₹ Nil (Previous Year – ₹ 28,929 thousand), Wockhardt Hospitals Limited ₹ Nil (Previous Year – ₹ 320,965 thousand)]		
Interest expenses	14,965	4,056
[Wockhardt Hospitals Limited ₹ 2,875 thousand (Previous Year – ₹ 96 thousand), Merind Limited ₹ 12,090 thousand (Previous Year – ₹ 3,960 thousand)]		
<i>Enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company</i>		
Loan taken	11,407	172,600
[Vinton Healthcare Limited ₹ 11,407 thousand (Previous Year – ₹ 172,600 thousand)]		
Loan repaid	—	1,000
[Vinton Healthcare Limited ₹ Nil (Previous Year – ₹ 1,000 thousand)]		
Interest expenses	12,674	5,816
[Vinton Healthcare Limited ₹ 12,674 thousand (Previous Year – ₹ 5,816 thousand)]		
(d) <i>Managerial remuneration payable/paid to Key managerial personnel</i>	200	200
(e) <i>Related party balances outstanding</i>		
Receivable from/(payable to) holding company	1,866,273	1,772,918
Receivable from/(payable to) fellow subsidiary	2,325	(200,516)
Payable to enterprise that directly or indirectly through one or more intermediaries control or are controlled by the company	(188,241)	(176,835)
Security deposit payable to fellow subsidiary company	465,000	275,000
Receivable from Enterprises where significant influence exists	1,235,188	1,164,692
[Palanpur Holdings & Investments Private Limited ₹ 1,234,558 thousand (Previous Year – ₹ 1,164,264 thousand), Holmdene Constructions ₹ 630 thousand (Previous Year – ₹ 428 thousand)]		
(Payable)/Receivable to Enterprises where significant influence exists	(173,650)	(159,113)
[Merind Limited ₹ 141,207 thousand (Previous Year – ₹ 127,275 thousand), Wockhardt Hospitals Limited ₹ 32,443 thousand (Previous Year – ₹ 31,838 thousand)]		

24. EMPLOYEE BENEFITS

(A) Defined benefit plans –

	31.03.2011 Gratuity (Non-funded)	31.03.2010 Gratuity (Non-funded)
I. Expenses recognised during the year		
1. Current Service Cost	103	277
2. Interest Cost	167	152
3. Actuarial Losses/(Gains)	510	(91)
Total Expenses	<u>780</u>	<u>338</u>
II. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	2,848	2,187
2. Net Asset/(Liability)	(2,848)	(2,187)
III. Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet		
1. Net Asset/(Liability) at the beginning of year	(2,187)	(1,937)
2. Expense as per I above	(780)	(338)
3. Employer contributions	119	88
Net asset/(liability) at the end of the year	<u>(2,848)</u>	<u>(2,187)</u>
IV. Actuarial Assumptions:	31.03.2011	31.03.2010
1. Discount rate	8.25%	7.50%
2. Expected rate of salary increase	8.00%	6.00%
3. Attrition rate	2.00%	2.00%
4. Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Note:

(a) Amounts recognised as an expense and included in the Schedule 18:

“Retirement benefits” are gratuity ₹ 780 thousand (Previous Year – ₹ 364 thousand), leave encashment ₹ 1,106 thousand (Previous Year – ₹ 253 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 ₹ 1,396 thousand (Previous Year – ₹ 1,113 thousand).

25. Exceptional items of previous year comprises of profit on sale of commercial premises amounting to ₹ 652,634 thousand, loss on relinquishment of tenancy rights ₹ 12,647 thousand and interest cost of ₹ 60,980 thousand payable on early closure of loan.

26. CONTINGENT LIABILITIES

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.

27. ₹ 33,357 thousand paid on completion of income tax proceedings of earlier years.

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

Suresh Shenoy
Jayant B. Manmadkar
Shahnawaz Khan

} Directors

Place : Mumbai
Date : May 27, 2011

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	:	31.03.2011

(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	:	5,743,627
Total assets	:	5,743,627

Sources of funds

Paid-up capital	:	354,365
Reserves and surplus	:	4,917,625
Secured loans	:	—
Unsecured loans	:	382,446
Deferred tax liability	:	89,191

Application of funds

Net fixed assets	:	1,241,241
Capital work-in-progress including advances	:	4,797
Investments	:	209,493

Net current assets	:	4,288,096
Accumulated losses	:	—

(d) Performance of Company:

Turnover	:	611,909
Total expenditure	:	229,101
Profit/(Loss) before tax, after exceptional item	:	382,808
Profit/(Loss) after tax	:	223,006
Earnings per share	:	6.29
Dividend rate %	:	—

(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.