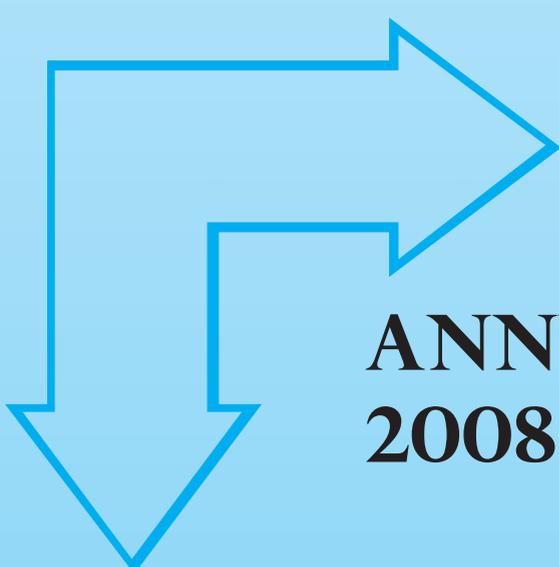




Carol Info Services Limited



**ANNUAL REPORT
2008-09**

Carol Info Services Limited

BOARD OF DIRECTORS

DR. G. B. PARULKAR
Chairman & Managing Director

SURESH SHENOY
Director

R. B. GANDHI
Director

ANIL KAMATH
Director

V. R. KHETAN
Company Secretary

BANKERS

State Bank of India (CAG Branch)

Citibank, N.A.

ICICI Bank Ltd.

HDFC Bank Ltd.

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 Twenty Ninth Annual Report of the Company and audited Accounts for the year ended March 31, 2009.

FINANCIAL PERFORMANCE

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

	Year ended 31.03.2009	(Rs. in thousands) Year ended 31.03.2008
Operating Income	268,713	238,537
Other Income	4,397	10,453
Interest Income	221,441	190,630
Depreciation	56,747	56,213
Profit Before Exceptional Items & Tax	283,852	246,831
Exceptional Items – Income/(Expenses)	663,891	—
Profit Before Tax and After Exceptional Items	947,743	246,831
Provision for Tax	(138,306)	(58,455)
Deferred Tax (Liability)/Asset	(51,210)	(54,002)
Fringe Benefit Tax	(437)	(324)
Net Profit for the Year	757,790	134,050

SUBSIDIARIES AND OPERATIONS

There are no subsidiaries of the Company.

DIVIDEND AND RESERVES

Your board has recommended a dividend of Rs. 2/- per equity share of face value Rs.10/- each for the year ended March 31, 2009. It is recommended that an amount of Rs. 200,000 thousand be transferred to General Reserve and the Balance of Rs. 70,785 thousand be retained in Profit and Loss Account.

BOARD OF DIRECTORS

Mr. Anil Kamath retires by rotation as director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Kamath is a fellow member of the Institute of Chartered Accountants of India. His other qualifications include B.Com. (Hons.), MIMA, AMRSH (Lon.) and MBIM (Lon.). He is the Managing Director of Wockhardt Hospitals Ltd. and director in Merind Ltd., Wockhardt Biopharm Ltd., Wockhardt Infrastructure Development Ltd., Wockhardt Holdings Ltd., Wockhardt Maharashtra Hospital Ltd., Kanishka Housing Development Company Ltd., Medicaid Clinical Research Private Ltd. and Banneret Trading Private Ltd. He is the member of Audit Committee & Investors Grievance Committee of the Company. He is also the member of Audit Committee of Wockhardt Hospitals Ltd. and Wockhardt Biopharm Ltd. He does not hold any shares of the Company.

The Board recommends his re-appointment at the forthcoming Annual General Meeting.

APPOINTMENT OF AUDITORS

M/s. Haribhakti & Co., Chartered Accountants are statutory auditors of the Company from last five years. The Board of Directors of the Company has decided that the appointment of statutory auditors should be done on a rotational basis. Further, the Company has received a Special Notice pursuant to Section 225 of the Companies Act, 1956, from a member for moving the Ordinary Resolution for the appointment of M/s. M. P. Chitale & Co., Chartered Accountants as Statutory Auditors of the Company in place of the Retiring Auditors, M/s. Haribhakti & Co.

The Board of Directors of the Company on the recommendation of the Audit Committee proposes to appoint M/s. M. P. Chitale & Co, Chartered Accountants, as Auditors of the Company at the ensuing Annual General Meeting.

M/s. M. P. Chitale & Co. (MPC) was founded by late Mr. M. P. Chitale in 1947. It is one of the leading firm of chartered accountants practicing in India. Over the past fifty five years, the firm has garnered a distinction for rendering services of the highest professional standards. The firm is affiliated with DFK International, a major international association of independent accounting firms and business advisors that has been meeting the needs of clients with interests in many countries for more than 45 years. DFK International network covers 176 member firms operating from 305 important commercial centres worldwide, with more than 900 partners supported by professional staff of over 5000.

M/s. M. P. Chitale & Co have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956. The Board recommends their 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, 2009, 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, 2009 and the profits for the period 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 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

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 : August 28, 2009

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, 2009.

I. CONSERVATION OF ENERGY

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

No new energy conservation measures were taken during the year 2008-09.

(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 31.03.2009	Year Ended 31.03.2008
(A) Power & Fuel Consumption:		
1. Electricity		
a. Purchased		
Units (in million)	1.618	1.656
Total Amount (in millions)	6.739	6.977
Rate/Unit (Rs.)	4.165	4.213
b. Own Generation Through Diesel Generator		
Units (in millions)	0.563	0.416
Units per litre of Diesel oil	3.32	3.26
Cost/Unit (Rs.)	9.32	8.53
2. Coal		Not Applicable
Quantity	—	—
Total Cost	—	—
Average Rate	—	—
3. Furnace Oil & LSHS		
Quantity (Kilo-litres)	947.21	926.84
Total Amount (in million)	25.915	22.083
Average Rate	27.36	23.83
4. Natural Gas		Not Applicable
Quantity (unit NM ³)	—	—
Total Amount (in million)	—	—
Average Rate (Rs./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 31.03.2009	Year Ended 31.03.2008
(Rs. in millions)		
(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	0.17	0.14
(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 2008-09.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Carol Info Services Limited endeavors to attain the highest standards of Corporate Governance. The Company's pursuit towards achieving good governance is an ongoing process, thereby ensuring transparency, accountability and responsibility in dealing with employees, stakeholders, customers and the community at large.

BOARD OF DIRECTORS

The Board comprises of 4 directors of which 3 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 seven times during the year on April 30, 2008, June 30, 2008, July 30, 2008, October 27, 2008, November 26, 2008, December 26, 2008 and January 30, 2009.

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

Name of the Director	Category of Directorship	No. of other Directorships Held ⁽³⁾	No. of other Board Committees of which Member/Chairman ⁽⁴⁾	Board meetings attended	Attendance at the last AGM
Dr. G. B. Parulkar, Chairman & Managing Director	Whole-time Director (Executive)	2	Nil	6	Yes
Mr. R. B. Gandhi	Non-Executive (Independent)	6	4 (as Chairman)	6	Yes
Mr. Anil Kamath	Non-Executive (Independent)	7	4 (as Member)	3	Yes
Mr. Suresh Shenoy ⁽¹⁾	Non-Executive (Independent)	None	2 (as Member)	6	No
Mr. D. G. Modj ⁽²⁾	Non-Executive (Independent)	None	None	2	N.A.

(1) Appointed w.e.f. June 30, 2008

(2) Resigned w.e.f. June 30, 2008

(3) 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.

(4) 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 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, five meetings of the Committee were held on April 30, 2008, June 30, 2008, July 30, 2008, October 27, 2008 and January 30, 2009.

Carol Info Services Limited

The constitution of the Committee 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. R. B. Gandhi, Chairman	Non-Executive (Independent)	B.Com. (Hons.), FCA, ACS	4
Mr. Anil Kamath	Non-Executive (Independent)	B.Com. (Hons.), MIMA, AMRSH (Lon.), MBIM (Lon.), FCA	3
Mr. Suresh Shenoy#	Non-Executive (Independent)	BA (Hons) with Mathematics	3
Mr. D. G. Modi*	Non-Executive (Independent)	B.Sc., B.Pharm.	2

Appointed as a member w.e.f. June 30, 2008

* Ceased to be a member w.e.f. June 30, 2008

During the year, the Board appointed Mr. R. B. Gandhi as Chairman of the Audit Committee for the meetings to be held after October 27, 2008. Mr. Anil Kamath ceased to be Chairman of the Committee and continued as member of the Audit Committee.

The composition of the Committee complied with the requirements of clause 49 of listing agreement and section 292A of the Companies Act, 1956.

The Secretary of the Company acts as a Secretary to the 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, 2009, four meetings of the Committee were held on April 30, 2008, July 30, 2008, October 27, 2008 and January 30, 2009.

The constitution of the Committee 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. R. B. Gandhi, Chairman	Non-Executive (Independent)	3
Mr. Anil Kamath	Non-Executive (Independent)	2
Mr. Suresh Shenoy#	Non-Executive (Independent)	3
Mr. D. G. Modi*	Non-Executive (Independent)	1

Appointed as a member w.e.f. June 30, 2008

* Ceased to be a member w.e.f. June 30, 2008

During the year, the Board appointed Mr. R. B. Gandhi as Chairman of the Investors Grievance Committee for the meetings to be held after October 27, 2008. Mr. Anil Kamath ceased to be Chairman of the Committee and continued as member of the Investors Grievance Committee.

Mr. V. R. Khetan, Company Secretary, provided secretarial support to the Committee and has been designated as Compliance Officer for such matters.

During the year under review, the Company received and resolved 47 communications from the shareholders as per the summary given below:

Nature of communication	Received	Resolved
Non-receipt of demat credit/ remat credit	6	6
Non-receipt of dividend warrants	9	9
Non-receipt of share certificates	26	26
Non-receipt of rejected DRF	2	2
Non-receipt of annual report	1	1
Non-receipt of exchange certificates	1	1
Others	2	2

As on March 31, 2009, no complaint was pending.

MANAGERIAL REMUNERATION

(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 Rs. 200,000 has been paid to Dr. Parulkar for the year 2008-09 as per the shareholder's resolution.

(b) Independent Non-Executive Directors (INEDs)

During the year, the INEDs were neither paid any remuneration 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
26th AGM	Friday, September 29, 2006 at 3.00 p.m.	Merind Limited, Mulund-Goregaon Link Road, Bhandup (W), Mumbai-400 078	None
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

The Company has not passed any shareholder resolution through postal ballot during the year under reference. Currently no resolution is proposed to be passed through postal ballot.

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 CEO and 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 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 for the effective period. The declaration by the CEO 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.

(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.

Carol Info Services Limited

(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, 2009 is enclosed along with this report as Annexure 2.

GENERAL SHAREHOLDER INFORMATION

1. 29TH ANNUAL GENERAL MEETING

Date & Time	Wednesday, September 30, 2009 at 3.00 p.m.
Venue	Merind Limited, Mulund-Goregaon Link Road, Bhandup (West), Mumbai 400 078

2. TENTATIVE FINANCIAL CALENDAR FOR THE YEAR 2009-10

Financial year	April 1 to March 31
First Quarter results	End of July 2009
Half Yearly results	End of October 2009
Third Quarter results	End of January 2010
Results for year-end	End of June 2010
Annual General Meeting for the year ending March 31, 2010	End of September 2010

3. DATE OF BOOK CLOSURE FOR ANNUAL GENERAL MEETING AND FINAL DIVIDEND FOR THE YEAR ENDED MARCH 31, 2009

September 23, 2009 to September 30, 2009 (both days inclusive)

4. DIVIDEND PAYMENT DATE

The proposed dividend, if approved at the ensuing AGM will be distributed at the end of October 2009.

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) GDRs</i>	
Luxembourg Stock Exchange	

The Company has paid the annual listing fees for the year 2009-10 to all of the above stock exchanges.

6. CORPORATE IDENTITY NUMBER (CIN)

L74999MH1979PLC021942

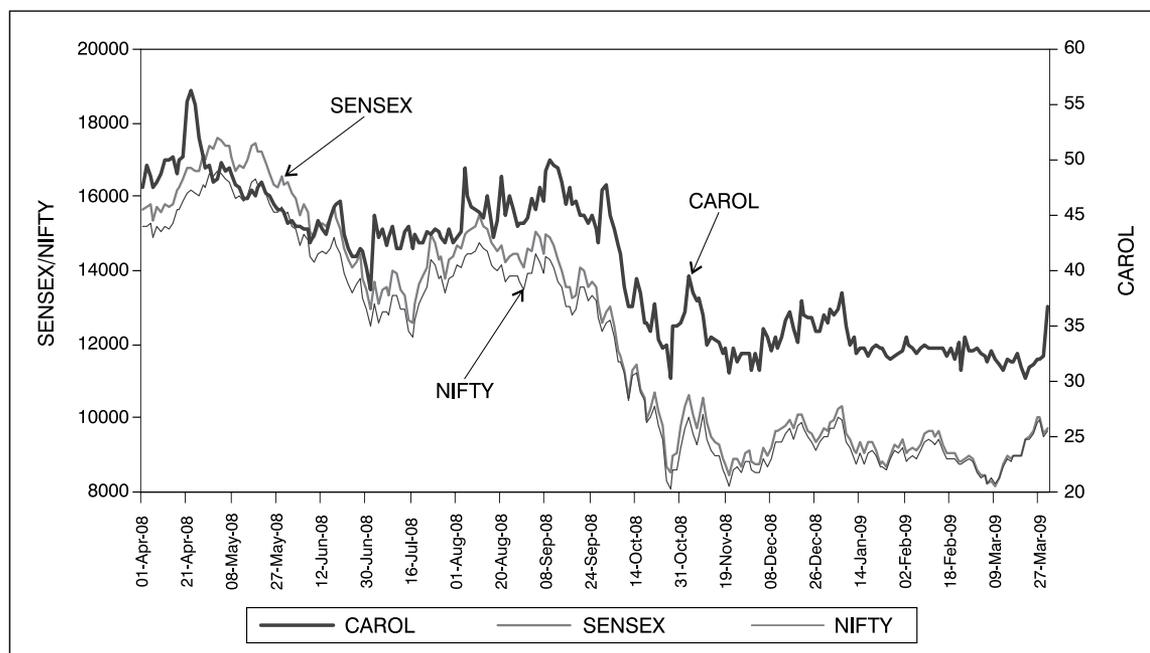
7. MARKET PRICE DATA

The closing market price of equity share on March 31, 2009 (last trading day of the year) was Rs. 36.65 on BSE and Rs. 36.90 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 2008-09 at BSE & NSE						
Month	B S E			N S E		
	High	Low	Monthly Volume	High	Low	Monthly Volume
April 2008	57.95	46.30	140,253	59.85	45.65	95,219
May 2008	53.00	44.10	148,790	51.50	44.05	94,167
June 2008	47.50	40.00	223,801	49.75	40.05	101,229
July 2008	47.00	38.25	178,932	46.25	38.10	94,124
August 2008	53.00	41.75	241,932	52.75	40.00	189,958
September 2008	51.20	41.05	349,194	50.75	40.05	224,563
October 2008	55.00	30.05	292,361	51.00	29.30	256,515
November 2008	40.30	30.15	86,107	40.80	30.10	52,125
December 2008	40.10	30.15	74,109	40.40	30.25	64,541
January 2009	38.40	32.05	175,486	38.95	28.10	311,245
February 2009	34.60	26.20	372,662	34.95	30.05	58,078
March 2009	38.60	30.10	180,521	38.50	28.00	148,644

8. STOCK PERFORMANCE INDEX (2008-09)



Source: Website of BSE & NSE

9. DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2009

By size of shareholding:

Slab of Shareholdings No. of Shares	No. of Shareholders	%	Amount in Rs.	%
1 – 500	23,565	92.08	32,872,880	9.28
501 – 1000	1,059	4.14	8,758,570	2.47
1001 – 2000	457	1.79	7,105,070	2.01
2001 – 3000	167	0.65	4,280,510	1.21
3001 – 4000	75	0.29	2,742,090	0.77
4001 – 5000	64	0.25	3,037,150	0.86
5001 – 10000	98	0.38	7,491,050	2.11
Above 10000	107	0.42	288,077,400	81.29
Total	25,592	100.00	354,364,720	100.00

Carol Info Services Limited

By category of shareholders:

Categories	Number of shares	Amount in Rs.	% to total paid up capital
Promoters	22,584,758	225,847,580	63.73
Directors & relatives	600	6,000	0.00
Financial Institutions & Banks	5,700	57,000	0.02
Mutual Funds	1,300	13,000	0.00
Insurance Companies	137,100	1,371,000	0.39
Foreign Institutional Investors/OCB's	293,427	2,934,270	0.83
Bodies Corporate	2,876,920	28,769,200	8.12
Non-resident Indians	460,807	4,608,070	1.30
Foreign Company	90,000	900,000	0.25
Shares Representing GDRs	193,946	1,939,460	0.55
Other Public	87,91,914	87,919,140	24.81
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. Out of the public shareholding of 12,657,768 equity shares 11,595,157 equity shares, representing 91.61%, 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 Mr. V. R. Khetan, 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, 2009.

13. OUTSTANDING GDRs/ADRs/WARRANTS/ANY OTHER CONVERTIBLE INSTRUMENTS

The Number of outstanding Global Depository Receipts (GDRs) as on March 31, 2009 is 193,946. The Company does not have any other outstanding instruments of the captioned type except GDRs.

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

Mr. V. R. Khetan, 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 AGENTS

Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Ltd.)
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078
Tel: 022 2596 3838/2594 6970-78
Fax: 022 2594 6969
E-mail: rtn.helpdesk@linkintime.co.in

For & on behalf of the Board of Directors

Place : Mumbai
Date : June 30, 2009

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, 2009.

Place : Mumbai
Date : June 30, 2009

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, 2009, 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 : June 30, 2009

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 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. The property portfolio, although a non-core activity, generates substantial income.

OUTLOOK ON OPPORTUNITIES

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.

Contract manufacturing is work 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 contract manufacturing market in India is set to register 40% growth on yearly basis and likely to attain US\$ 2.46 billion by the end of 2010 from US\$ 869 million in 2007 (Source: KPMG report).

The Indian nutraceutical market is about US\$ 600 million is expected to grow at approximately 20%. 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 \$190 billion by 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 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.

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.

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 nutrition contract manufacturing amounted to Rs. 108,857 thousand and rent income amounted to Rs. 151,707 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 Company's income from sales and services grew by 13% for the year ended March 2009 to Rs. 268,713 thousands compared with Rs. 238,537 thousands for the year ended March 2008 and the total income for the year ended March 2009 is Rs. 494,551 thousand as compared to Rs. 439,620 thousand for the previous year thereby recording a growth of 12%. The increase in sales and service is mainly due to increase in contract manufacturing income. During the year net interest income has gone up to Rs 221,441 as compared to Rs. 190,630 of previous year thereby recording growth of 16%.

During the year ended March 2009, the operating and other expenses increased to Rs. 151,943 thousand as compared to Rs. 134,276 thousand during the year ended March 2008. This is mainly due to the higher consumption of Power & Fuel for increased production at the plant at Lalru as also increase in the cost of Power & Fuel.

The profit before tax for the year ended March 31, 2009 was Rs. 283,852 thousands, compared with the profit before tax for the year ended March 2008 of Rs. 246,831 thousand, thereby recording growth of 15%.

The Company has earned exceptional income during the year amounting to Rs. 663,891 thousand. This comprises of profit on sale of property situated at Worli, Mumbai amounting to Rs. 581,776 thousand and has also received consideration of Rs. 82,115 thousand for sale of Intra-venous Fluids Business during earlier years as full and final settlement on fulfilling the prescribed conditions. Correspondingly tax provision has gone up which was mainly due to short term capital gain of Rs. 40,525 thousand on profit on sale of property. The provision for tax during previous year was lower due to utilization of MAT credit amounting to Rs. 20,896 thousand.

Profit after tax for the year has increased to Rs 757,790 thousand as compared to Rs. 134,050 thousand for the year ended March 2008. The reason for substantial increase is due to exceptional items as stated above partially offset by increase in tax liability.

HUMAN RESOURCES

The Company has 80 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** ("the Company") as at March 31, 2009 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, 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 the 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's 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 ('the Act') and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act, to the extent they are applicable to the Company;
 - (e) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors of the Company is prima facie disqualified as on March 31, 2009, from being appointed as a director in terms of Section 274(1)(g) of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give the information required by the Act, in the manner so required and also give, a true and fair view in conformity with the accounting policies generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit & Loss Account, of the profits for the year ended on that date; and
 - (iii) in the case of Cash Flow Statements, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**
Chartered Accountants

CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Date : June 30, 2009

Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of **Carol Info Services Limited** on the accounts for the year ended March 31, 2009.

I. Fixed Assets:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. 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 management during the year. As informed, no material discrepancies were noticed on such verification.
3. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets during the year.

II. Inventory:

4. The inventory of the Company has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
5. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
6. The Company has maintained proper records of inventory and the discrepancies between the physical stocks and the book stocks noticed on physical verification as mentioned in paragraph 4 above were not material and have been properly dealt with in the books of accounts.

III. Loans taken from/granted to 301 Parties:

7. The Company has neither granted nor taken any loans from parties covered in the register maintained under Section 301 of the Act.

IV. Internal Control:

8. In our opinion and according to information and explanations given to us, the existing internal control procedures for the purchase of inventory and fixed assets and for the sale of goods and services are commensurate with the size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in aforesaid internal controls.

V. Transaction with parties covered under Section 301 of the Act:

9. According to the information and explanations given to us by the management, there are no transactions that need to be entered into the register maintained under Section 301 of the Act.

VI. Acceptance of Deposits from public:

10. According to the information and explanations given to us by the management, and as represented to us the Company has not accepted deposits from public and therefore the provisions of Section 58A and 58AA of the Act are not applicable to the Company.

VII. Internal Audit:

11. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

VIII. Cost Audit:

12. On the basis of records produced to 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. However, we are not required to and have not carried out any detailed examination of such accounts and records.

IX. Statutory dues:

13. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, the Company has been generally regular in depositing undisputed statutory dues, if any, in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance dues, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other material statutory dues during the year with the appropriate authorities in India.

14. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance dues, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
15. As at March 31, 2009, there have been no disputed dues which have not been deposited with the respective authorities in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, 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. Others:

16. The Company does not have accumulated losses. Also, it has neither incurred any cash loss during the financial year ended on that date nor in the immediately preceding financial year.
17. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
18. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
19. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
20. According to the information and explanations given to us by the management and based on our overall examination of the books of accounts, the term loans obtained by the Company have been applied for the purpose for which they were raised.
21. On the basis of review of utilisation of funds, which is based on overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, funds raised on short-term basis have not been used for long-term purpose.
22. The Company has not made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act.
23. During the period covered by our audit report the Company has issued 1,250 debentures of Rs. 1,000,000 each, the terms of issue of which require the creation of security. According to the information and explanation given to us, the Company has created the security in accordance with the terms of issue of the debentures.
24. As per the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
25. The following Clauses of paragraph 4 and 5 of Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company and hence are not reported upon:
Clause (xiii); Clause (xiv); and Clause (xx).

For **Haribhakti & Co.**
Chartered Accountants

CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Date : June 30, 2009

Carol Info Services Limited

BALANCE SHEET AS AT MARCH 31, 2009

(All amounts in thousands of Indian Rupees)

	Notes	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	3	354,365	354,365
Reserves and surplus	4	4,101,174	3,426,302
		<u>4,455,539</u>	<u>3,780,667</u>
LOAN FUNDS			
Secured loans	5	2,988,400	—
Unsecured loans	6	43,474	51,777
		<u>3,031,874</u>	<u>51,777</u>
DEFERRED TAX LIABILITY (Net)	2(g) & 7	110,639	59,429
		<u>7,598,052</u>	<u>3,891,873</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
2(a) & 8			
Gross block		2,146,530	2,165,181
Accumulated depreciation		(711,571)	(666,405)
Net block		1,434,959	1,498,776
Capital work-in-progress and advances		15,609	39,072
		<u>1,450,568</u>	<u>1,537,848</u>
INVESTMENTS	2(c) & 9	209,493	209,713
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	2(d) & 10	5,068	6,066
Sundry debtors	11	4,340	26,523
Cash and bank balances	12	3,161	20,543
Loans and advances	13	6,496,064	2,512,466
	A	<u>6,508,633</u>	<u>2,565,598</u>
CURRENT LIABILITIES AND PROVISIONS			
14			
Current liabilities		(483,496)	(334,532)
Provisions		(87,146)	(86,754)
	B	<u>(570,642)</u>	<u>(421,286)</u>
NET CURRENT ASSETS	(A-B)	<u>5,937,991</u>	<u>2,144,312</u>
		<u>7,598,052</u>	<u>3,891,873</u>

The accompanying notes 1 to 29 are an integral part of this Balance Sheet.

As per our report of even date attached

For **Haribhakti & Co.**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : June 30, 2009

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

R. B. Gandhi
A. V. Kamath
Suresh Shenoy } Directors

V. R. Khetan
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2009

(All amounts in thousands of Indian Rupees)

	Notes	For the year ended 31.03.2009	For the year ended 31.03.2008
INCOME			
Sales and services	2(f) & 15	268,713	238,537
Other income	16	4,397	10,453
Interest income, net	17	221,441	190,630
		494,551	439,620
EXPENDITURE			
Purchase of finished goods		2,009	2,300
Operating and other expenses	18	151,943	134,276
Depreciation	2(a) & 8	56,747	56,213
		210,699	192,789
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		283,852	246,831
<i>Add:</i> Exceptional Items – Income/(Expenses)	26	663,891	—
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		947,743	246,831
Provision for tax		(138,306)	(58,455)
Deferred tax	2(g) & 7	(51,210)	(54,002)
Fringe benefit tax		(437)	(324)
NET PROFIT FOR THE YEAR		757,790	134,050
Profit and Loss Account, beginning of the year		12,580	36,448
AMOUNT AVAILABLE FOR APPROPRIATION		770,370	170,498
APPROPRIATIONS			
Proposed Dividend on Equity Shares		70,873	70,873
Tax on Dividend		12,045	12,045
Debenture Redemption Reserve		416,667	—
Transferred to general reserve		200,000	75,000
PROFIT AND LOSS ACCOUNT, end of the year		770,370	170,498
Earnings per share	20		
Basic & Diluted Rs.		21.38	3.78
Nominal value of share Rs.		10.00	10.00

The accompanying notes 1 to 29 are an integral part of this Profit and Loss Account.

As per our report of even date attached

For **Haribhakti & Co.**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : June 30, 2009

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

R. B. Gandhi
A. V. Kamath
Suresh Shenoy } Directors

V. R. Khetan
Company Secretary

Carol Info Services Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2009

(All amounts in thousands of Indian Rupees)

	31.03.2009	31.03.2008
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	947,743	246,831
Adjustments to reconcile profit before tax to cash provided by operations:		
Depreciation	56,747	56,213
Amortisation of expenses/write off of fixed assets	647	9
Advance no more recoverable	13,467	9,242
Liabilities no more payable	(15,063)	(18,744)
(Profit)/loss on sale of fixed assets, net	(250)	398
Exceptional item – profit on sale of fixed assets	(581,776)	—
Interest expense	218,702	303
Interest income	(440,143)	(190,933)
Operating profit before working capital changes	200,074	103,319
(Increase)/decrease in current assets, loans and advances		
Inventories	998	—
Sundry debtors	22,184	2,223
Loans and advances	(104,131)	(7,444)
Increase/(Decrease) in current liabilities and provisions	73,012	15,586
Cash provided by operations	192,137	113,684
Tax paid	(139,257)	(51,264)
Net cash provided by operating activities	52,880	62,420
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress	(18,349)	(38,694)
Proceeds from sale of fixed assets	630,261	833
Purchase of investments	220	—
Proceeds from sale of investments	—	9,348
Loan to Companies, net	(3,892,419)	(698,173)
Interest received	440,143	191,404
Net cash used in investing activities	(2,840,144)	(535,282)
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
(Repayment)/Proceeds from long-term borrowings, net	2,980,096	(6,552)
Interest paid	(128,022)	(303)
Dividend paid	(82,192)	(82,119)
Net cash provided by financing activities	2,769,882	(88,974)
NET DECREASE IN CASH AND BANK BALANCES	(17,382)	(561,836)
CASH AND BANK BALANCES, beginning of year	20,543	582,379
CASH AND BANK BALANCES, end of year	3,161	20,543

The accompanying notes 1 to 29 are an integral part of this Cash Flow Statement.

As per our report of even date attached

For **Haribhakti & Co.**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : June 30, 2009

For and on behalf of the Board of Directors

G. B. Parulkar
Chairman and Managing Director

R. B. Gandhi
A. V. Kamath
Suresh Shenoy } Directors

V. R. Khetan
Company Secretary

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

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

1. BACKGROUND

Carol Info Services Limited ('CISL' or 'the Company'), is a subsidiary of Khorakiwala Holdings and Investments Private Limited. Pursuant to a scheme of arrangement, the pharmaceutical business of the Company was demerged into Wockhardt Limited with effect from January 1, 2000. The name of the Company has been changed from Wockhardt Life Sciences Limited to Carol Info Services Limited with effect from November 7, 2003.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared 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 except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. 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 Rs. 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 31.03.2009	As at 31.03.2008
3. SHARE CAPITAL		
AUTHORISED		
100,000,000 (2008 – 100,000,000) Unclassified shares of Rs. 10 each	<u>1,000,000</u>	<u>1,000,000</u>
ISSUED		
35,519,797 (2008 – 35,519,797) Equity Shares of Rs. 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 (2008 – 35,436,472) Equity Shares of Rs. 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 (2008 – 21,210,400) fully paid up equity shares are held by Khorakiwala Holdings and Investments Private Limited, the Holding Company.		
(b) 25,900,976 (2008 – 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 (2008 – 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	—	—
Add: Transferred from profit and loss account	<u>416,667</u>	—
	<u>416,667</u>	—
General reserve		
Opening balance	<u>400,222</u>	<u>325,222</u>
Transferred (to)/from Profit and Loss Account	<u>200,000</u>	<u>75,000</u>
Balance at the end of the year	<u>600,222</u>	<u>400,222</u>
Profit & Loss Account	<u>70,785</u>	<u>12,580</u>
	<u>4,101,174</u>	<u>3,426,302</u>

(Rs. in Thousands)

	As at 31.03.2009	As at 31.03.2008
5. SECURED LOANS		
(A) 1,250 (2008 – Nil) Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	1,250,000	—
(B) Term Loan from Banks	1,738,400	—
	<u>2,988,400</u>	<u>—</u>
(a) Non-Convertible Debentures ('NCDs') include: debentures redeemable at par on November 28, 2011. Interest on debentures is payable semi-annually. Interest rate is linked to MIBOR plus spread of 15% with floor rate of 20% and cap of 21% p.a.		
(b) Non-convertible debentures and term loan from banks are 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 [out of the above Rs. 9,932 thousand (2008 – Rs. 8,303 thousand) is repayable within one year]	39,974	48,277
Short term (repayable within one year)		
Loan from company	3,500	3,500
	<u>43,474</u>	<u>51,777</u>
7. DEFERRED TAX LIABILITY		
Deferred tax liabilities		
Depreciation on fixed assets	112,076	60,733
Total (A)	<u>112,076</u>	<u>60,733</u>
Deferred tax assets		
Provision for Gratuity	658	571
Provision for Leave Encashment	779	733
Total (B)	<u>1,437</u>	<u>1,304</u>
Deferred tax liability (A-B)	<u>110,639</u>	<u>59,429</u>
Net deferred tax liability as of the year end	110,639	59,429
Less: Opening Deferred Tax Liability	59,429	5,427
Deferred tax charge for the year	<u>51,210</u>	<u>54,002</u>

8. FIXED ASSETS

BLOCK OF ASSET	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 01.04.2008	Additions during the year	Deletions/ Adjustments during the year	As at 31.03.2009	As at 01.04.2008	Charge for the year	Deletions/ Adjustments during the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008	
Freehold land	30,701	—	—	30,701	—	—	—	—	30,701	30,701	
Leasehold land	195,141	—	—	195,141	21,709	2,629	—	24,338	170,803	173,432	
Buildings	1,174,845	21,575	57,169	1,139,251	172,807	21,512	8,945	185,374	953,877	1,002,038	
Plant and machinery	505,254	19,194	2,715	521,733	260,203	25,796	2,066	283,933	237,800	245,051	
Furniture and fixtures	103,773	333	45	104,061	56,969	6,367	36	63,300	40,761	46,804	
Office equipments	48,512	593	5	49,100	48,121	297	5	48,413	687	391	
Information Technology equipments	95,680	117	—	95,797	95,321	146	—	95,467	330	359	
Vehicles	11,275	—	529	10,746	11,275	—	529	10,746	—	—	
Total	2,165,181	41,812	60,463	2,146,530	666,405	56,747	11,581	711,571	1,434,959	1,498,776	
Capital Work-in-Progress (inclusive of Capital advances)									15,609	39,072	
Grand Total	2,165,181	41,812	60,463	2,146,530	666,405	56,747	11,581	711,571	1,450,568	1,537,848	
As at 31.03.2008	2,140,079	28,399	3,297	2,165,181	612,249	56,213	2,057	666,405	1,537,848		

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

Assets given on lease	2009			2008		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Buildings	892,869	121,501	771,368	883,789	106,673	777,116
Furniture and fixtures	66,740	38,889	27,851	66,740	34,688	32,052
Office equipments	28,540	28,256	284	28,540	28,122	418
Plant and machinery	156,177	99,562	56,615	156,177	90,995	65,182
Total	1,144,326	288,208	856,118	1,135,246	260,478	874,768

Carol Info Services Limited

(Rs. in Thousands)

	As at 31.03.2009	As at 31.03.2008
9. INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS		
TRADE:		
UNQUOTED:		
Others		
(a) 6,750,000 (2008 – 6,750,000) Equity shares of Rs. 10 each fully paid up in Wockhardt Hospitals Limited	50,000	50,000
(b) 4,270,000 (2008 – 4,270,000) equity shares of CHF 1 each fully paid up in Swiss Biosciences AG	141,910	141,910
NON-TRADE:		
QUOTED:		
In Government securities		
Nil (2008 – 2,200) 6.75% taxfree US-64 Bonds of Rs. 100 each guaranteed by Government of India, issued by the administrator of the specified undertaking of the Unit Trust of India	—	220
UNQUOTED:		
Others		
780,000 (2008 – 780,000) Equity shares of Rs. 10 each fully paid up in Al Barr Finance House Limited	17,583	17,583
	<u>209,493</u>	<u>209,713</u>
10. INVENTORIES		
(As Taken, Valued and Certified by the Management)		
Stores and spare parts	5,068	6,066
	<u>5,068</u>	<u>6,066</u>
11. SUNDRY DEBTORS (Unsecured)		
Outstanding for more than six months		
Considered good	966	111
Considered doubtful	—	—
	<u>966</u>	<u>111</u>
Less: Provision for doubtful debts	—	—
	<u>966</u>	<u>111</u>
Other debts		
Unsecured, considered good	3,374	26,412
	<u>4,340</u>	<u>26,523</u>
12. CASH AND BANK BALANCES		
Cash on hand	126	158
Balances with scheduled banks		
— in current accounts	2,905	20,220
— in margin accounts	130	100
Fixed Deposits	—	65
	<u>3,161</u>	<u>20,543</u>
13. LOANS AND ADVANCES (Unsecured, considered good)		
Loans to Companies		
Considered good	6,220,933	2,328,514
Considered doubtful	117,664	117,664
	<u>6,338,597</u>	<u>2,446,178</u>
Less: Provision for doubtful advances	(117,664)	(117,664)
	<u>6,220,933</u>	<u>2,328,514</u>
Loans to others	428	5,428
Share application money	255	255
Advances recoverable in cash or in kind or for value to be received	86,620	2,935
Balance with customs, excise and sales tax authorities	146	557
Other Deposits	19,406	7,015
Advance tax, net of provision for tax	168,276	167,762
	<u>6,496,064</u>	<u>2,512,466</u>

(Rs. in Thousands)

	As at 31.03.2009	As at 31.03.2008
14. CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors – Micro and small enterprises [see note 19 (f)]	—	—
– Others	22,856	38,104
Security deposits	301,259	289,578
Investor Education and Protection Fund shall be credited as and When due by the following amount namely:		
– Unclaimed dividends	1,524	798
Interest accrued but not due	90,680	—
Other liabilities	67,177	6,052
	483,496	334,532
PROVISIONS		
Proposed dividend	70,873	70,873
Tax on proposed dividend	12,045	12,045
Provision for gratuity	1,937	1,680
Provision for leave encashment	2,291	2,156
	87,146	86,754
	570,642	421,286
	For the year ended 31.03.2009	For the year ended 31.03.2008
15. SALES AND SERVICES		
Sale of goods	2,728	3,106
Processing charges received	108,857	82,587
Services	5,421	5,521
Rent Income	151,707	147,323
	268,713	238,537
16. OTHER INCOME		
Profit on sale of assets	250	—
Miscellaneous income *	4,147	10,453
	4,397	10,453
	For the year ended 31.03.2009	For the year ended 31.03.2008
* Miscellaneous income to the extent of Rs. 1,596 thousand (2008 – Rs. 9,502 thousand) is net of advances no more recoverable Rs. 13,467 thousand (2008 – Rs. 9,242 thousand) and liabilities no more payable Rs. 15,063 thousand (2008 – Rs. 18,744 thousand).		
17. INTEREST		
Interest Received [TDS Rs. 99,726 thousand (2008 – Rs. 38,293 thousand)]	7	8,509
Investments	440,136	182,424
Others	440,143	190,933
	440,143	190,933
<i>Less: Interest paid</i>		
Fixed	(120,116)	—
Debentures	(85,903)	—
Others	(12,683)	(303)
	(218,702)	(303)
	(218,702)	(303)
	221,441	190,630
18. OPERATING AND OTHER EXPENSES		
Salaries, wages and bonus	25,322	31,886
Retirement benefits	588	1,476
Company's contribution to provident and other funds	1,094	985
Staff welfare expenses	4,860	2,920
Travelling expenses	781	1,065
Power and fuel	40,317	34,552
Rent	20,412	11,038
Rates and taxes	20,346	19,849
Maintenance and repairs		
Machinery	3,066	2,065
Buildings	3,910	5,809
Stores and spare parts consumed	3,026	3,631
Insurance	1,078	955
Loss on sale of Asset	—	398
General expenses	27,143	17,647
	151,943	134,276

Carol Info Services Limited

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

	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Value Rs. in thousands	%	Value Rs. in thousands	%
Stores and Spare Parts				
Imported	—	—	58	2
Indigenously Procured	3,026	100	3,573	98
	<u>3,026</u>	<u>100</u>	<u>3,631</u>	<u>100</u>
(b) Installed capacity				
Powder (in Kgs.)	<u>4,000,000</u>		<u>4,000,000</u>	
			Apr. 08- Mar. 09	Apr. 07- Mar. 08
(c) Auditors' Remuneration:				
Audit Fees*			485	135
Tax Audit Fees			61	34
Out of pocket expenses			8	3
			<u>554</u>	<u>172</u>
			167	144
(d) Expenditure in Foreign Currency				
Others			<u>200</u>	<u>200</u>
(e) Remuneration to Managing Director – Salary				

* Includes Rs. 169 thousand (2008 – Rs. Nil) for previous year.

(d) Expenditure in Foreign Currency

Others

(e) Remuneration to Managing Director – Salary

(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, 2009 Rs. Nil (2008 – Rs. 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

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (net profit for the year less dividends on preference shares) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding 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.

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below:

	31.03.2009 Rs. in thousands	31.03.2008 Rs. in thousands
Reconciliation of earnings		
Net profit attributable to equity shareholders		
Profit after tax for the year	<u>757,790</u>	<u>134,050</u>
Reconciliation of weighted average number of shares		
	Shares	Shares
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 Rs. 10 each)	Rs.	Rs.
Basic/Diluted	21.38	3.78

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:

(Rs. in Thousands)

	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	2009	128,557	72,508	4,503	—
	2008	130,720	105,772	64,747	1

(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	2009	20,412	19,824	80,859	28,794
	2008	11,038	17,004	72,507	48,911

23. RELATED PARTY DISCLOSURES

(a) Parties where control exists

Fellow Subsidiary enterprise: Wockhardt Limited

Holding company: Khorakiwala Holdings and Investments Private 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 or their relatives, having 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 enterprise: Wockhardt Limited

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

Palanpur Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Sharanya Chemicals & Pharmaceuticals Private Limited

Holmdene Constructions

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

(c) Transactions with related parties during the year

	Apr. 08- Mar. 09	Apr. 07- Mar. 08
<i>Holding company</i>		
Rent paid	100	100
Dividend paid	42,421	42,421
Interest received	82,701	32,533
Loan given	1,722,363	615,350
Loan repaid	402,500	1,091,600

Note: Maximum loans given to holding company at any point of time was Rs. 1,403,802 thousand (2008 – Rs. 700,116 thousand)

Carol Info Services Limited

	<u>Apr. 08- Mar. 09</u>	<u>Apr. 07- Mar. 08</u>
<i>Fellow Subsidiary company</i>		
Rent received	51,525	52,049
Processing charges received	108,857	82,587
Reimbursement of Support Function Cost	—	9,000
Transactions with enterprises over which Individuals having direct or indirect control over the Company or their relatives, having significant influence		
Dividend paid [Palanpur Holdings and Investments Private Limited Rs. 2,102 thousand (2008 – Rs. 2,102 thousand)]	2,102	2,102
Rent received [Wockhardt Hospitals Limited Rs. 25,498 thousand (2008 – Rs. 18,600 thousand)]	25,498	18,600
Loan given [Palanpur Holdings and Investments Private Limited Rs. 121,536 thousand (2008 – Rs 612,961 thousand), Merind Limited Rs. 91,215 thousand (2008 – Rs. 653,500 thousand), Wockhardt Hospitals Limited Rs. 1,933,930 thousand (2008 – Rs. 678,200 thousand)]	2,146,681	1,944,661
Loan repaid [Palanpur Holdings & Investments Private Limited Rs. 300 thousand (2008 – Rs. 179,301 thousand), Merind Limited Rs. 3,900 thousand (2008 – Rs. 398,100 thousand), Wockhardt Hospitals Limited Rs. 351,134 thousand (2008 – Rs. 590,775 thousand), Sharanya Chemicals & Pharmaceuticals Private Limited Rs. Nil (2008 – Rs. 650 thousand)]	355,334	1,168,826
Loan taken [Wockhardt Hospitals Limited Rs. 857,485 thousand (2008 – Rs. Nil)]	857,485	—
Loan repaid [Wockhardt Hospitals Limited Rs. 857,485 thousand (2008 – Rs. Nil)]	857,485	—
Interest received [Palanpur Holdings & Investments Private Limited Rs. 84,461 thousand (2008 – Rs. 39,360 thousand), Merind Limited Rs. 29,741 thousand (2008 – Rs. 27,729 thousand), Wockhardt Hospitals Limited Rs. 108,686 thousand (2008 – Rs. 9,794 thousand)]	222,888	76,883
Interest paid [Wockhardt Hospitals Limited Rs. 9,512 thousand (2008 – Rs. Nil)]	9,512	—
<i>Transaction with relative of individual having direct or indirect control over the Company</i>		
Fees Paid [Ms Zahabiya Khorakiwala Rs. 1,524 thousand (2008 – Rs. Nil)]	1,524	—
(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	1,403,858	19,977
Receivable from/(payable to) fellow subsidiaries	(34,905)	19,491
Security deposit payable to fellow subsidiary company	275,000	250,000
Receivable from Enterprises where significant influence exists (Net of provision) [Palanpur Holdings & Investments Private Limited Rs. 1,054,116 thousand (2008 – Rs. 867,558 thousand), Merind Limited Rs. 380,593 thousand (2008 – Rs. 270,276 thousand), Wockhardt Hospitals Limited Rs. 2,003,830 thousand (2008 – Rs. 337,438 thousand), Holmdene Constructions Rs. 428 thousand (2008 – Rs. 428 thousand)]	3,438,967	1,475,700

24. EMPLOYEE BENEFITS

(A) Defined benefit plans –

	31.03.2009 Gratuity (Non-funded)	31.03.2008 Gratuity (Non-funded)
I. Expenses recognised during the year ended March 31, 2009		
1. Current Service Cost	275	252
2. Interest cost	156	125
3. Actuarial Losses/(Gains)	(174)	17
Total Expenses	<u>257</u>	<u>394</u>
II. Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2009		
1. Present value of defined benefit obligation	1,937	1,680
2. Net Asset/(Liability)	(1,937)	(1,680)
III. Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet as on March 31, 2009		
1. Net Asset/(Liability) at the beginning of year	(1,680)	(1,551)
2. Expense as per I above	257	394
3. Employer contributions	—	265
Net asset/(liability) at the end of the year	<u>(1,937)</u>	<u>(1,680)</u>
IV. Actuarial Assumptions:		
1. Discount rate	7%	8%
2. Expected rate of salary increase	6%	7%
3. Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Note:

- Amounts recognized as an expense and included in the Schedule 18: "Retirement benefits" are gratuity Rs. 257 thousand (2008 – Rs. 394 thousand), leave encashment Rs. 331 thousand (2008 – Rs. 1,082 thousand).
- 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.
- 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 Rs. 1,094 thousand (2008 – Rs. 985 thousand).

- In respect of unsecured loan of Rs. 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, 2009 has not been received.
- Exceptional items comprises of profit on sale of property situated at Worli, Mumbai amounting to Rs. 581,776 thousand (2008 – Rs. Nil) and received consideration of Rs. 82,115 thousand (2008 – Rs. Nil) for sale of Intra-venous Fluids business during earlier years as full and final settlement on fulfilling the prescribed conditions.
- After the balance sheet date, the Company has sold a part of its building costing Rs. 62,136 thousand having book value of Rs. 52,701 thousand.

28. CONTINGENT LIABILITIES

- Demands for Rs. 14,316 thousand (2008 – Rs. 14,316 thousand) have been raised by Sales Tax Authorities. The Company has filed appeals against the said demand.
- Claims against Company not acknowledged as debts Rs. 9,134 thousand (2008 – Rs. Nil).

29. 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

R. B. Gandhi
A. V. Kamath
Suresh Shenoy } Directors

Place : Mumbai
Date : June 30, 2009

V. R. Khetan
Company Secretary

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

(a) Registration details:

Registration No.	:	L74999MH1979PLCO21942
State Code	:	11
Balance Sheet Date	:	31.03.2009

(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	:	7,598,052
Total assets	:	7,598,052

Sources of funds

Paid-up capital	:	354,365
Reserves and surplus	:	4,101,174
Secured loans	:	2,988,400
Unsecured loans	:	43,474
Deferred tax liability	:	110,639

Application of funds

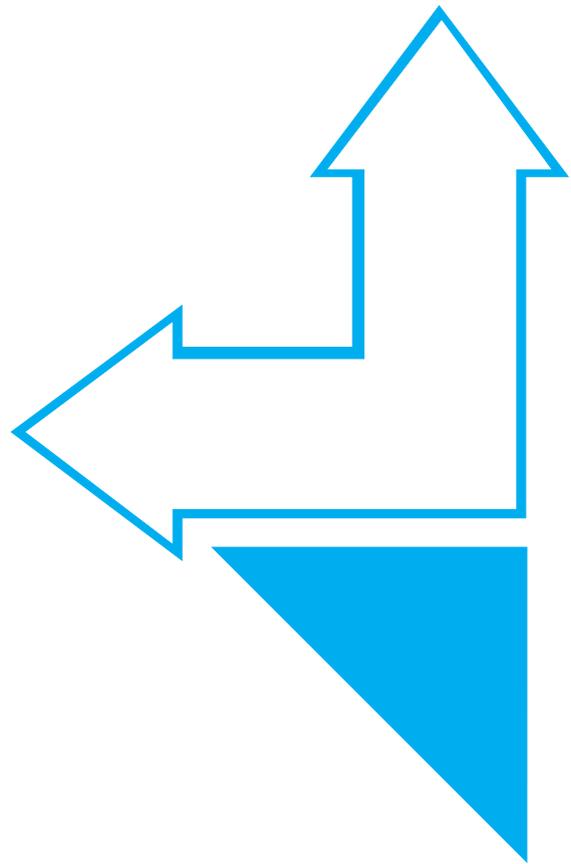
Net fixed assets	:	1,434,959
Capital work-in-progress including advances	:	15,609
Investments	:	209,493
Net current assets	:	5,937,991
Accumulated losses	:	—

(d) Performance of Company:

Turnover	:	494,551
Total expenditure	:	210,699
Profit/(Loss) before tax, after exceptional item	:	947,743
Profit/(Loss) after tax	:	757,790
Earnings per share	:	21.38
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. Fax : 2566 3169.