

REGISTERED NUMBER: 03211851

**Report of the Directors and
Financial Statements for the Year Ended 31st March 2015
for
FDC INTERNATIONAL LIMITED**

**Munslows LLP
Chartered Certified Accountants
and Statutory Auditors
2nd Floor
New Penderel House
283-288 High Holborn
London
WC1V 7HP**

FDC INTERNATIONAL LIMITED
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FOR THE YEAR ENDED 31ST MARCH 2015

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FDC INTERNATIONAL LIMITED
Company Information
FOR THE YEAR ENDED 31ST MARCH 2015

DIRECTORS:

Nandan Mohan Chandavarkar
Ameya Ashok Chandavarkar
Ashok Anand Chandavarkar

SECRETARY:

Pradeep Shah

REGISTERED OFFICE:

Unit 6, Fulcrum 1
Solent Business Park, Solent Way
Whiteley
Fareham
Hampshire
PO14 7FE

REGISTERED NUMBER:

03211851

AUDITORS:

Munslow LLP
Chartered Certified Accountants
and Statutory Auditors
2nd Floor
New Penderel House
283-288 High Holborn
London
WC1V 7HP

FDC INTERNATIONAL LIMITED
Report of the Directors
FOR THE YEAR ENDED 31ST MARCH 2015

The directors present their report with the financial statements of the company for the year ended 31st March 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of registering, marketing and selling of ophthalmic generics in Europe.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2014 to the date of this report.

Nandan Mohan Chandavarkar
Ameya Ashok Chandavarkar
Ashok Anand Chandavarkar

The directors are also directors of the ultimate parent company. Their beneficial interests in the shares of the ultimate parent company are shown in that company's annual report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Munslovs will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



Nandan Mohan Chandavarkar - Director

17th May 2015

**Report of the Independent Auditors to the Members of
FDC International Limited**

We have audited the financial statements of FDC International Limited for the year ended 31st March 2015 on pages four to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.


Kaushik Ordhia (Senior Statutory Auditor)
for and on behalf of Munslovs LLP
Chartered Certified Accountants
and Statutory Auditors
2nd Floor
New Penderel House
283-288 High Holborn
London
WC1V 7HP

17th May 2015

FDC INTERNATIONAL LIMITED
Profit and Loss Account
FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	2015 £	2014 £
TURNOVER		1,888,113	1,713,830
Cost of sales		1,333,701	1,208,684
GROSS PROFIT		554,412	505,146
Administrative expenses		285,393	277,769
OPERATING PROFIT	3	269,019	227,377
Interest receivable and similar income		851	86
		269,870	227,463
Interest payable and similar charges	4	203	1,096
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		269,667	226,367
Tax on profit on ordinary activities	5	59,053	46,238
PROFIT FOR THE FINANCIAL YEAR		210,614	180,129

The notes form part of these financial statements

FDC INTERNATIONAL LIMITED (REGISTERED NUMBER: 03211851)

Balance Sheet
31ST MARCH 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		508,170		520,901
CURRENT ASSETS					
Stocks	7	307,287		365,342	
Debtors	8	517,668		495,883	
Cash at bank and in hand		113,076		67,171	
		<u>938,031</u>		<u>928,396</u>	
CREDITORS					
Amounts falling due within one year	9	642,845		856,555	
NET CURRENT ASSETS			<u>295,186</u>		<u>71,841</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>803,356</u>		<u>592,742</u>
CAPITAL AND RESERVES					
Called up share capital	11		3,741		3,741
Profit and loss account	12		799,615		589,001
SHAREHOLDERS' FUNDS			<u>803,356</u>		<u>592,742</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 17th May 2015 and were signed on its behalf by:



Nandan Mohan Chandavarkar - Director

The notes form part of these financial statements

FDC INTERNATIONAL LIMITED
Cash Flow Statement
FOR THE YEAR ENDED 31ST MARCH 2015

	2015		2014	
	£	£	£	£
Cash generated from operations				
Operating profit	269,019		227,377	
Reconciliation to cash generated from operations:				
Depreciation	13,210		3,872	
Decrease/(increase) in stocks	58,055		(81,775)	
Increase in debtors	(21,785)		(417,954)	
(Decrease)/increase in creditors	(193,980)		330,871	
		<u>124,519</u>		<u>62,381</u>
Cash from other sources				
Interest received	851		86	
		<u>851</u>		<u>86</u>
Application of cash				
Interest paid	(250)		(1,165)	
Taxation paid	(51,863)		32,203	
Purchase of tangible fixed assets	(479)		-	
Loan repayments in year	(26,873)		(41,307)	
		<u>(79,465)</u>		<u>(10,269)</u>
Net increase in cash		<u>45,906</u>		<u>52,198</u>
Cash at bank and in hand at beginning of year		<u>67,171</u>		<u>14,973</u>
Cash at bank and in hand at end of year		<u><u>113,076</u></u>		<u><u>67,171</u></u>

The notes form part of these financial statements

FDC INTERNATIONAL LIMITED
Notes to the Financial Statements
FOR THE YEAR ENDED 31ST MARCH 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents net receivable value of goods sold, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Plant and machinery	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. STAFF COSTS

	2015	2014
Wages and salaries	£ 97,686	£ 93,231
Social security costs	9,283	10,743
	<u>106,969</u>	<u>103,974</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Administrative	<u>2</u>	<u>2</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
Depreciation - owned assets	£ 13,210	£ 3,872
Auditors' remuneration	4,515	3,465
Foreign exchange differences	515	319
	<u>18,240</u>	<u>7,656</u>
Directors' remuneration	<u>-</u>	<u>-</u>

FDC INTERNATIONAL LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31ST MARCH 2015

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2015	2014
	£	£
Loan interest	203	1,096
	<u>203</u>	<u>1,096</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	59,053	51,863
Adjustment prior year charge	-	(5,625)
	<u>59,053</u>	<u>46,238</u>
Tax on profit on ordinary activities	<u>59,053</u>	<u>46,238</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	269,667	226,367
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	56,630	52,064
Effects of:		
Expenses not deductible for tax purposes	2,779	917
Capital allowances	(125)	(33)
Marginal Relief	(231)	(1,065)
Adjustment to prior years	-	(5,625)
Current tax charge	<u>59,053</u>	<u>46,238</u>

FDC INTERNATIONAL LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31ST MARCH 2015

6. TANGIBLE FIXED ASSETS				
	Long leasehold £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1st April 2014				
Additions	509,285	64,435	7,950	581,670
			479	479
At 31st March 2015	<u>509,285</u>	<u>64,435</u>	<u>8,429</u>	<u>582,149</u>
DEPRECIATION				
At 1st April 2014				
Charge for year	10,186	53,729	7,040	60,769
		2,677	347	13,210
At 31st March 2015	<u>10,186</u>	<u>56,406</u>	<u>7,387</u>	<u>73,979</u>
NET BOOK VALUE				
At 31st March 2015	<u>499,099</u>	<u>8,029</u>	<u>1,042</u>	<u>508,170</u>
At 31st March 2014	<u>509,285</u>	<u>10,706</u>	<u>910</u>	<u>520,901</u>
7. STOCKS				
			2015	2014
Goods for resale			£	£
			<u>307,287</u>	<u>365,342</u>
8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
			2015	2014
Trade debtors			£	£
Prepayments			500,461	479,106
			<u>17,207</u>	<u>16,777</u>
			<u>517,668</u>	<u>495,883</u>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
			2015	2014
Bank loans and overdrafts			£	£
Trade creditors			-	26,873
Tax			661,228	719,780
Social security and other taxes			59,053	51,863
Advance from customers			14,015	48,056
Amounts due to employees			1,275	-
Accruals			274	-
			<u>7,000</u>	<u>9,883</u>
			<u>642,845</u>	<u>856,555</u>
10. SECURED DEBTS				
The following secured debts are included within creditors:				
			2015	2014
Bank loans			£	£
			-	26,873
The bank loan is secured by a charge on the company's leasehold property.				

FDC INTERNATIONAL LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31ST MARCH 2015

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

374,085 Ordinary share

Nominal
value:
£0.01

2015
£
3,741

2014
£
3,741

12. RESERVES

At 1st April 2014
Profit for the year

At 31st March 2015

Profit
and loss
account
£

589,001
210,614

799,615

13. RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of FDC Limited, a company registered in India which in the opinion of the directors is the ultimate controlling party.

During the year the company purchased goods to the value of £1,203,267 (2014: £1,250,596) from FDC Limited. Each transaction took place at an arm's length basis and at prevailing market rates. Trade creditors include £531,406 (2014: £697,580) due by the company to FDC Limited as at the balance sheet date.

FDC INTERNATIONAL LIMITED
Trading and Profit and Loss Account
FOR THE YEAR ENDED 31ST MARCH 2015

	2015		2014	
	£	£	£	£
Sales		1,888,113		1,713,830
Cost of sales				
Opening stock				
Purchases	365,342		283,567	
Warehouse costs	1,273,668		1,288,689	
	2,078		1,770	
	<u>1,640,988</u>		<u>1,574,026</u>	
Closing stock	(307,287)		(365,342)	
		1,333,701		1,208,684
GROSS PROFIT		554,412		505,146
Other income				
Other Interest		851		86
		555,263		505,232
Expenditure				
Wages and salaries	97,686		93,231	
Social security	9,283		10,743	
Accommodation costs	19,028		18,737	
Insurance	12,085		11,546	
Telephone	1,527		787	
Printing, postage & stationery	6,719		6,481	
Motor and travel	2,581		4,962	
Product and marketing licences	31,582		62,325	
Repairs and renewals	7,580		7,374	
Sundry expenses	251		-	
Accountancy	7,500		7,500	
Legal and professional fees	71,028		45,926	
Auditors' remuneration	4,515		3,465	
Foreign exchange loss/ (gain)	515		319	
Depreciation of tangible fixed assets	13,210		3,872	
Entertainment	28		114	
	<u>285,068</u>		<u>277,382</u>	
		270,195		227,850
Finance costs				
Bank charges	325		387	
Loan interest	203		1,096	
	<u>528</u>		<u>1,483</u>	
NET PROFIT		269,867		226,367

This page does not form part of the statutory financial statements

FDC Inc.

AUDITED FINANCIAL STATEMENTS

March 31, 2015

P K Vasudevan, CPA
Iyer Associates

Certified Public Accountant

315, Lowell Avenue, Hamilton, NJ 08619

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pkvasu@iyerassociates.com

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INDEPENDENT AUDITOR'S REPORT

To

Board of Directors and Shareholders of
FDC Inc.

We have audited the accompanying Financial Statements of FDC INC, which comprise the Balance Sheet as of March 31, 2015, and the related Statement of Operations, changes in Stockholder's Equity, and Cash Flows for the year then ended, and the related Notes to Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

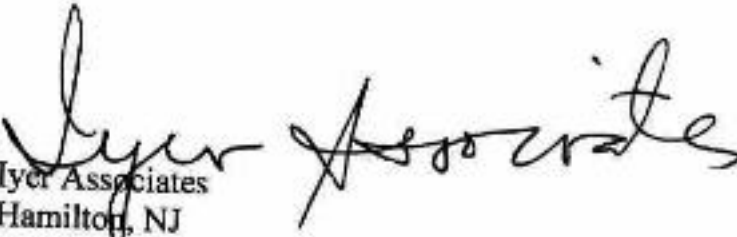
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FDC INC as of March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Iyer Associates
Hamilton, NJ

May 07, 2015

FDC INC.
Balance Sheet As of
March 31, 2015

ASSETS

Current Assets

Cash and Cash Equivalents

\$ 88,409

Total Current Assets

88,409

TOTAL ASSETS

\$ 88,409

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts Payable & Accrued Expenses

\$ 935

Provision for Taxes

750

Total Current Liabilities

1,685

Stockholders' Equity

Common Stock, \$100 par value; 2,500 shares Authorized,
500 shares Issued and Outstanding

50,000

Retained Earnings

38,244

Net Income(Loss)

(1,520)

Total Stockholders' Equity

86,724

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY

\$ 88,409

Z

- See Independent auditor's report and notes to financial statements -

FDC INC.
Statement of Operations
For the year ended March 31, 2015

Net Sales	\$ -
General and Administrative Expenses	1,520
Net Loss	<u>\$ (1,520)</u>

- See Independent Auditor's report and notes to financial statements -

FDC INC.

Statement of Changes in Stockholders' Equity
Year ended March 31, 2015

	Common stock			Total
	Shares	Amount	Retained earnings	stockholders' equity
Balance, March 31, 2014	500	\$ 50,000	\$ 38,244	\$ 88,244
Net loss for the year	-	-	(1,520)	(1,520)
Balance, March 31, 2015	<u>500</u>	<u>\$ 50,000</u>	<u>\$ 36,724</u>	<u>\$ 86,724</u>

FDC INC.
Statement of Cash Flows
For the Year ended March 31, 2015

Cash Flows from Operating activities	
Net Income(Loss)	\$ (1,520)
Changes in Assets and Liabilities:	
Increase (Decrease) in:	
Accounts Payable & Accrued Expenses	35
Provision for Taxation	250
Net cash used in operating activities	<u>(1,235)</u>
Net Decrease in Cash and Cash Equivalents	
Cash at the beginning of the year	(1,235)
Cash at the end of the year	<u>89,644</u>
	<u>\$ 88,409</u>
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Income taxes	\$ 250

NOTES TO FINANCIAL STATEMENTS

For the Year ended March 31, 2015

1) **Organization And Description Of Business**

FDC Inc. (FDC) was incorporated in the state of New Jersey on September 01, 2004. It is a 100% subsidiary of FDC Limited (an Indian Company). FDC imports pharmaceutical formulations and generic products from its parent company, FDC Limited, and sells and distributes such products to various consumers in the United States.

The Company is not engaged in any commercial activity at this time in the United States of America. The Management has taken major efforts to ensure the continuity of the Company as a going concern for the next twelve months.

2) **Summary Of Significant Accounting Policies**

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

Going Concern

These financial statements are prepared under the Going Concern principle, the company is viewed as continuing in business for the foreseeable future.

Basis of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates.

FDC INC.

NOTES TO FINANCIAL STATEMENTS

For the Year ended March 31, 2015

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluations.

Cash Equivalents

The Company considers all checking accounts to be cash and cash equivalents.

The Company's checking accounts are located with Bank of America. The amount on hand at any one time in any of these accounts may exceed the \$250,000 federal insured limit.

Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less the allowance for doubtful accounts.

Uncollectible accounts are provided on the allowance method based on historic experience and management's evaluation of outstanding accounts receivable at the end of each fiscal year. For the year ended March 31, 2015, the allowance for doubtful accounts amounted to \$ Nil.

Revenue Recognition

The Company recognizes revenue when products are shipped to customers on FOB basis.

3) New Accounting Pronouncements:

- a) In May 2009, the FASB issued authoritative guidance establishing principles and requirements for recognition and disclosure of subsequent events in the financial statements. The Company's adoption of this guidance on June 30, 2009 did not have a material effect on the Company's financial operations.
- b) In June 2009, the FASB issued authoritative guidance, "The FASB Accounting standards codification and hierarchy of Generally Accepted Accounting Principle - a replacement of FASB statement No. 162" (the "Codification"). The Codification does not alter current U.S. GAAP, but rather integrates existing

FDC INC.

NOTES TO FINANCIAL STATEMENTS

For the Year ended March 31, 2015

accounting standards with other authoritative guidance. Under the codification, there is a single source of authoritative U.S. GAAP for nongovernmental entities and it supersedes all other previously issued non-SEC accounting and reporting guidance. The codification is effective for financial statement periods ending after September 15, 2009. Company's adoption of the codification on July 1, 2009 did not have a material effect on Company's financial condition or result of operations.

- c) In July 2006, the FASB issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes". FIN 48 prescribes detail guidance for the financial statements recognition, measurement and disclosure of certain tax positions recognized in an enterprise's financial statements in accordance with FASB statement No. 109, "Accounting for Income Taxes." Tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. FIN 48 is effective for fiscal years beginning after December 15, 2006, and the provisions of FIN 48 are applied to all tax positions upon initial adoption of the Interpretation. The cumulative effect of applying the provisions of this Interpretation are reported as an adjustment to the opening balance of retained earnings for each fiscal year. The effect of FIN 48 will not have any significant effects on the Company's financial statements.
- d) In December 2010, the FASB issued a new accounting standard requiring that Step 2 of the goodwill impairment test be performed for reporting units whose carrying value is zero or negative. This guidance will be effective January 1, 2011. Our adoption of this standard will not have a material effect on our financial condition or results of operation.