dil LIMITED

61st ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

Mr. G.G.Desai
Chairman

Ms. Rajeshwari Datla

Mr. Sanjay Buch

Mr. Vinayak Hajare

Mr. Satish Varma

Mr. Krishna Datla
Managing Director

COMPANY SECRETARY

Mr. Srikant N. Sharma

CHIEF FINANCIAL OFFICER

Mr. K. H. Kashid

SOLICITORS

Crawford Bayley & Co.
Mundkur Law Partners

AUDITORS

S. R. Batliboi & Associates LLP

INTERNAL AUDITORS

M M Nissim & Co.

BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank

Bank of Baroda

Union Bank of India

REGISTERED OFFICE

'DIL' Complex, Ghodbunder Road,
Majiwada, Thane (West) – 400 610.
Maharashtra, India.
Tel No : +91 22 6798 0888
Fax No : +91 22 6798 0899
E-mail : contact@dil.net

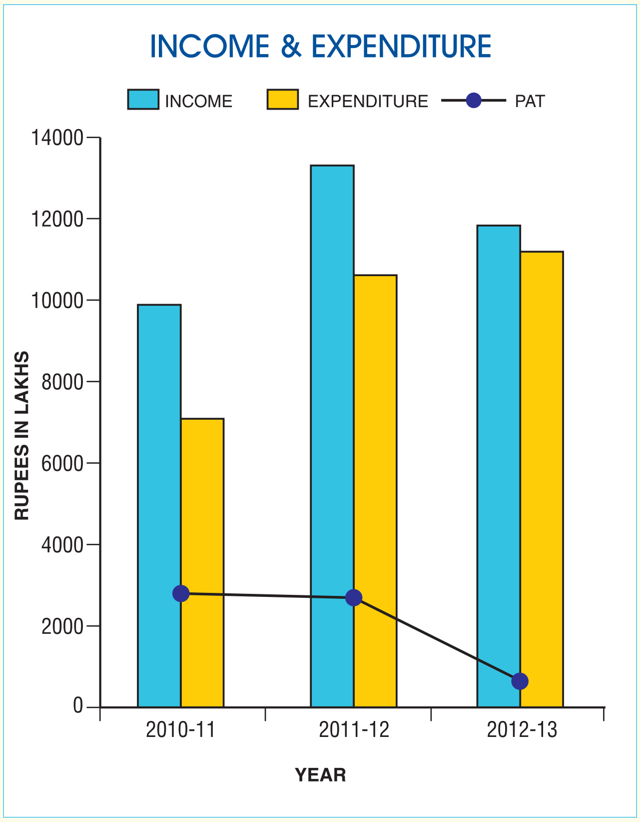
WEBSITES

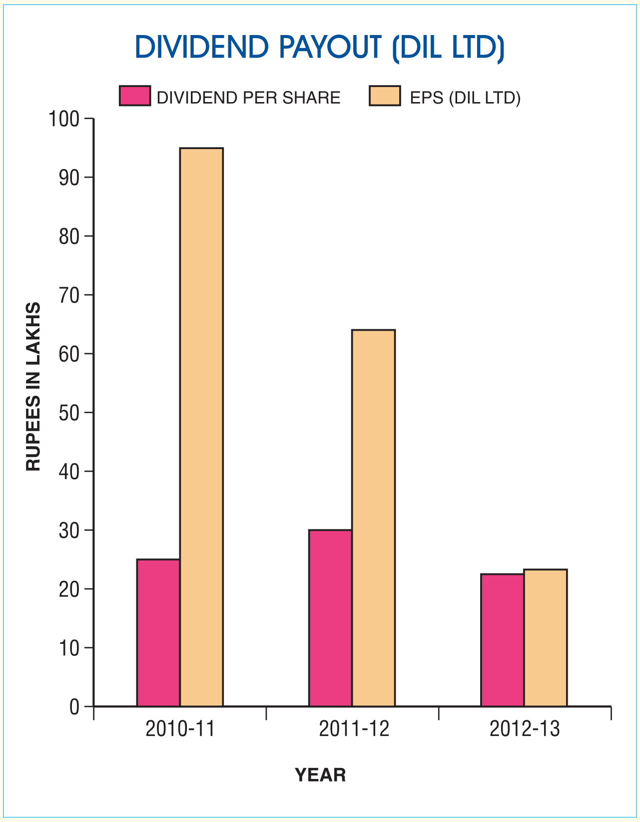
www.dil.net
www.fermentabiotech.com
www.whitestripes.biz

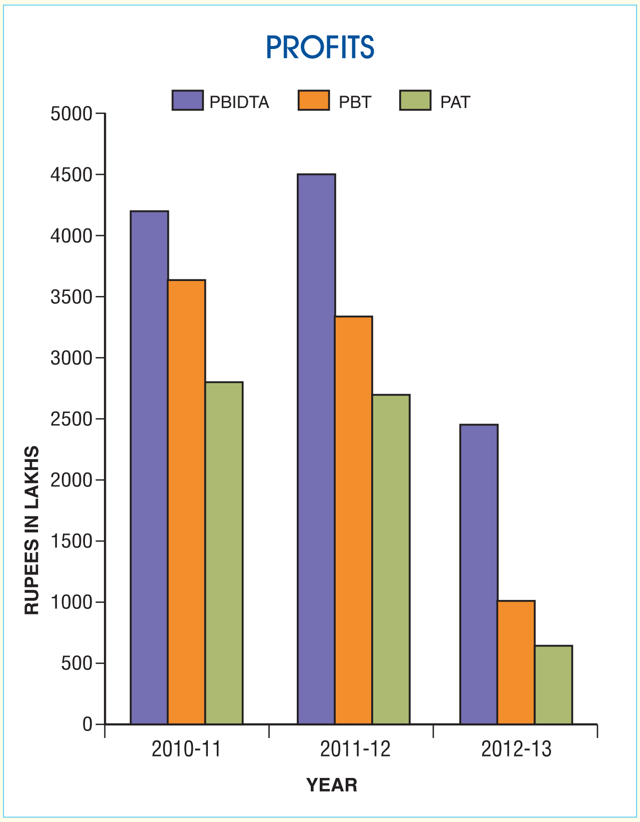
REGISTRAR AND TRANSFER AGENTS

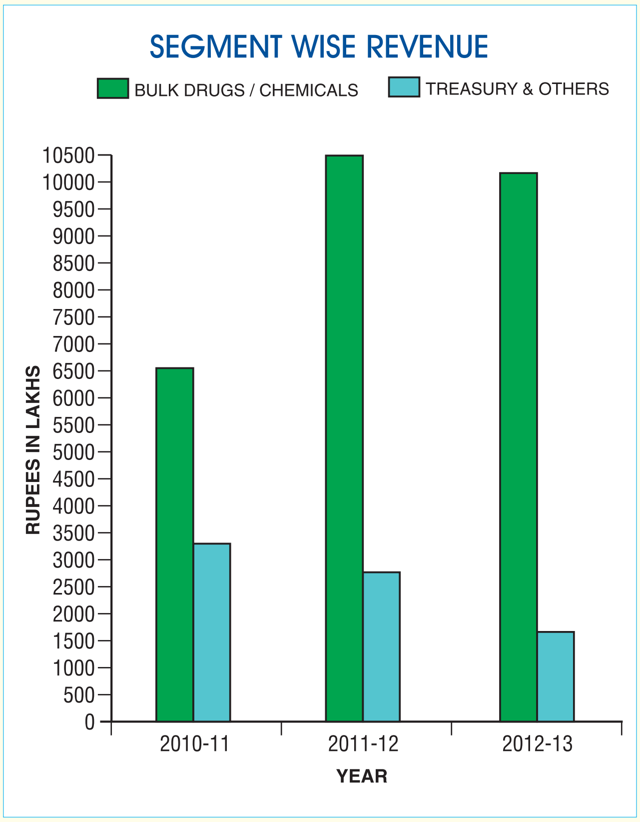
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078.
Maharashtra, India.
Tel No : +91 22 2594 6970
Fax No : +91 22 2594 6969
Email : rnt.helpdesk@linkintime.co.in

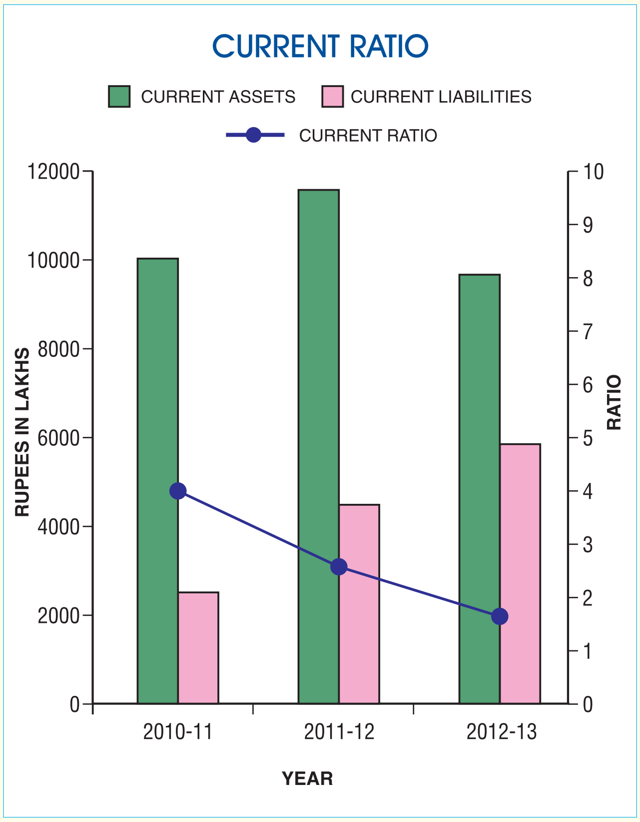
FINANCIAL HIGHLIGHTS - CONSOLIDATED







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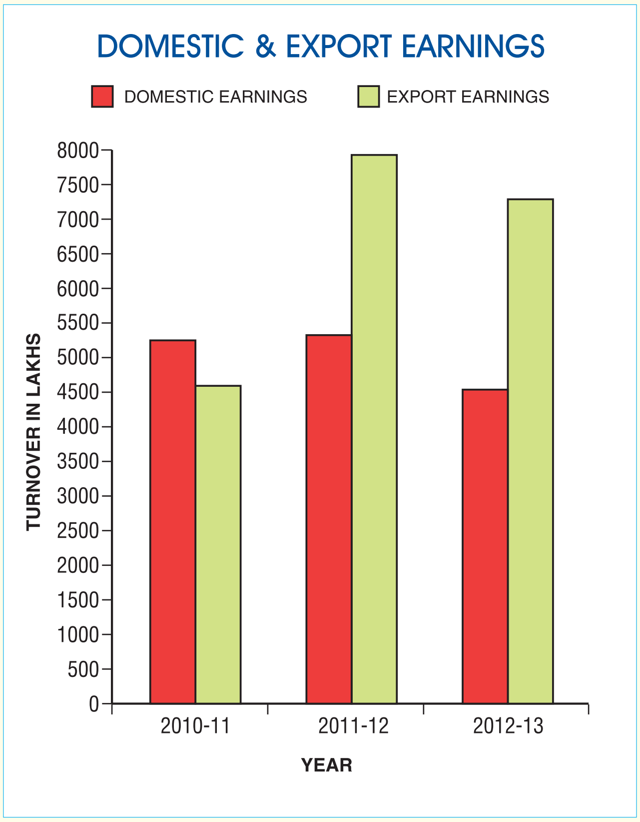
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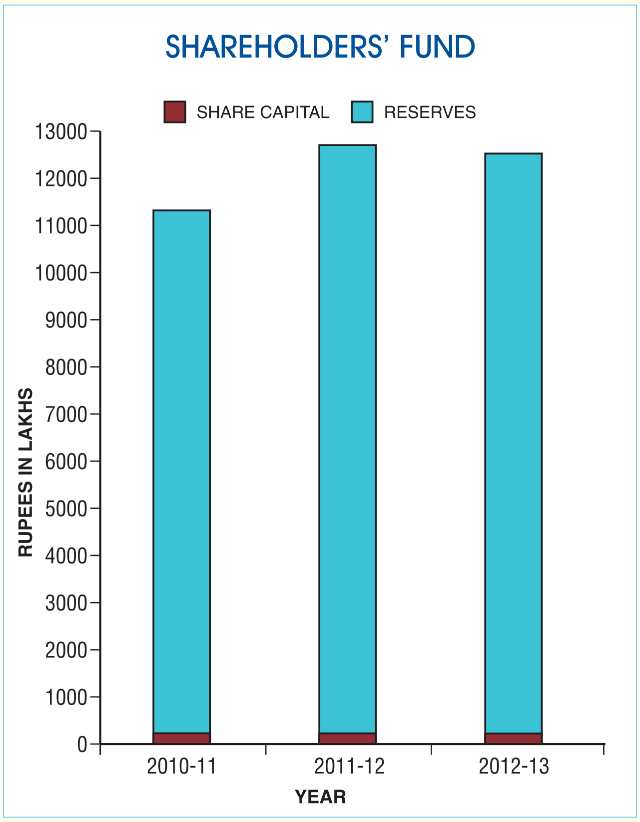
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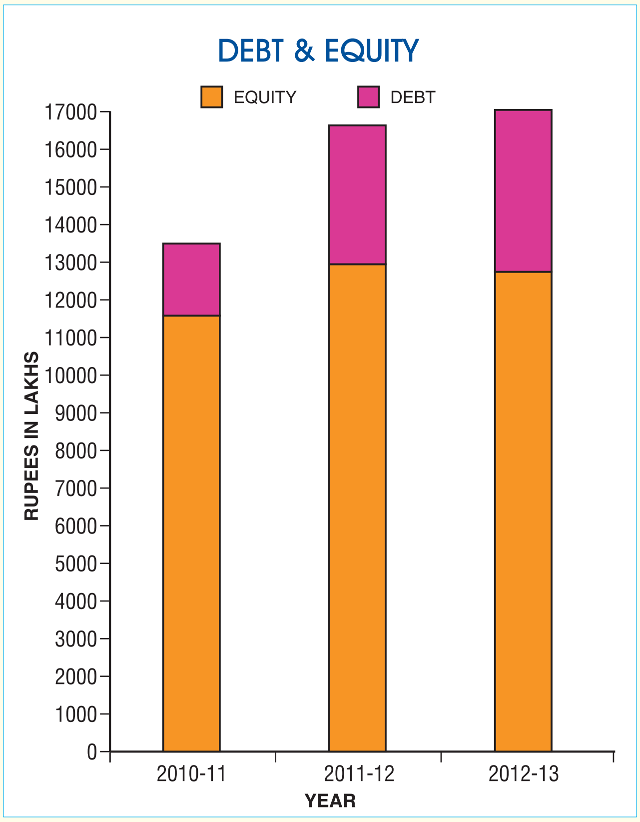
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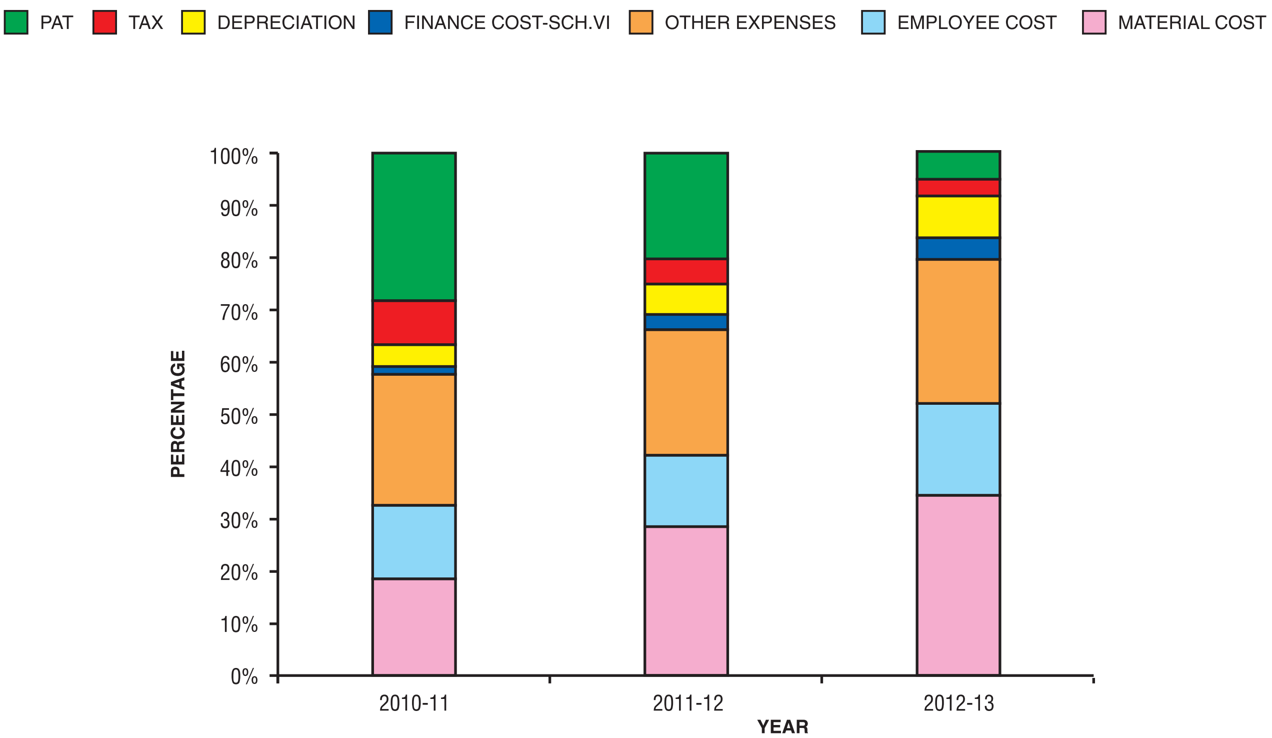
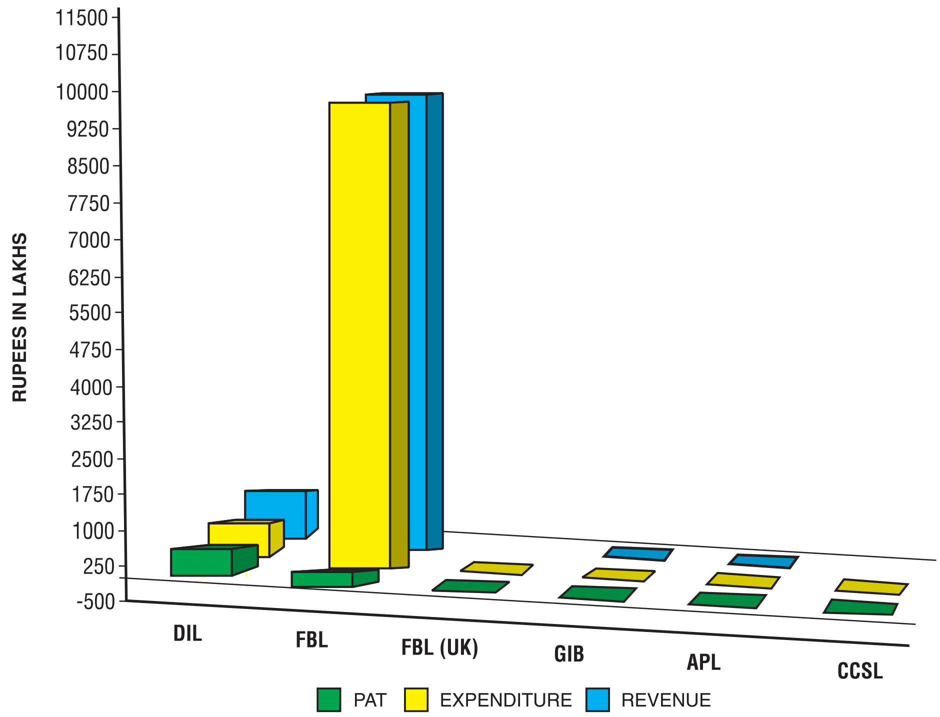
2012-13
YEAR

DISTRIBUTION OF REVENUE 2012-13



PERFORMANCE OF DIL & SUBSIDIARY COMPANIES 2012-13



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NOTICE

Notice is hereby given that the Sixty-first Annual General Meeting of the Members of DIL LIMITED will be held at its registered office at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400 610, Maharashtra on Friday, September 27, 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date, the Directors' Report and the Auditor's Report thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2013.
3. To appoint a Director in place of Mr. Vinayak Hajare, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 198, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, as may be required, the consent and approval of the Company be and is hereby accorded to pay the remuneration as mentioned in the Explanatory Statement, to Mr. Krishna Datla, Managing Director of the Company, for the period starting from April 01, 2013 to May 8, 2015, as per the applicable remuneration limits specified in Part II, Section II (1)(B) / (C) of Schedule XIII to the Companies Act, 1956 or any amendments made thereof, in case of absence or inadequacy of profits during the aforesaid period(s);

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of the remuneration (as specified in the Explanatory Statement) of Mr. Krishna Datla, Managing Director, as it may deem fit from time to time so as not to exceed the applicable minimum prescribed limits specified in Part II, Section II of Schedule XIII of the Companies Act 1956, (including any statutory modification, amendment or re-enactment made thereof."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 14, 2013.

Registered Office:
'DIL' Complex,
Ghodbunder Road,
Majiwada,
Thane (West) – 400 610.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 ('Act')

Item No. 5

The members of the Company at its Annual General Meeting held on September 27, 2010 had appointed Mr. Krishna Datla as the Managing Director of the Company for a period of five years from May 09, 2010 to May 08, 2015 at remuneration comprising of salary of Rs. 3,00,000 per month in the scale of Rs. 3,00,000 to Rs. 5,00,000 per month, along with other perquisites and allowances as specified in the agreement dated May 8, 2010 between Mr. Krishna Datla, Managing Director and the Company. The above remuneration was subject to payment of remuneration as per the limits specified in Part II, Section II (1)(B) / (C) of Schedule XIII to the Companies Act, 1956 or any amendments made thereof, in case of absence or inadequacy of profits during the aforesaid period(s).

The members through postal ballot voting process, concluded on May 24, 2011, had approved to pay the above remuneration to Mr. Krishna Datla, Managing Director, for the period from April 01, 2010 to March 31, 2013, subject to limits specified in Part II, Section II(1) (B)/ (C) of Schedule XIII to the Act, in case of absence or inadequacy of profits during the above period(s).

In case the Company has no profits or its profits are inadequate, during the period from April 01, 2013 to May 08, 2015, the remuneration payable to the Managing Director may exceed the ceiling specified in the provisions of section 309 read with section 198 of the Companies Act, 1956 i.e. 5% of the net profits of the Company and may result in payment of remuneration within the limits specified in Part II, Section II (1) (B) / (C) of Schedule XIII to the Companies Act, 1956.

The Remuneration Committee and the Board of Directors have approved the payment of managerial remuneration, within the limits specified in Part II, Section II (1)(B) / (C) of Schedule XIII to the Companies Act, 1956, in case the Company has no profits or its profits are inadequate.

The members are requested to consider and approve that where in any financial year, for the period starting from April 01, 2013 to May 08, 2015, the Company has no profits or its profits are inadequate, the Company, subject to necessary approval(s), may pay to the Managing Director, remuneration by way of salary, perquisites and other allowances and benefits as per the applicable limits specified in Section II of Part II (1) (B)/ (C) of Schedule XIII and other applicable provisions of the Act, if any,

The Board of Directors commends the aforesaid resolution for your approval.

Necessary information as required under the provisions of Part II, Section II (1) (B) / (C) of Schedule XIII to the Companies Act, 1956 is disclosed in this notice.

None of the Directors of the Company, except Mr. Krishna Datla and Ms Rajeshwari Datla is in any way concerned or interested in the resolution.

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 14, 2013.

Registered Office:
'DIL' Complex,
Ghodbunder Road,
Majiwada,
Thane (West) – 400 610.

The following information pertaining to Mr. Krishna Datla, Managing Director is furnished pursuant to the provisions of Section II (1) (B) / (C) of Part II of Schedule XIII to the Companies Act, 1956:

I. General Information :

(1) Nature of industry	DIL Limited ('the Company') is in the business of renting properties, motion film production and distribution and in treasury operation. The Company also has strategic investments in subsidiary companies, joint venture entity and associate companies.
(2) Date or expected date of commencement of commercial production	The Company is in existence since 1951.
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable.
(4) Financial performance based on given indicators	As per the published audited financial results for the year ended March 31, 2013, the Company, on a Stand alone basis, recorded a revenue of Rs. 1,806.36 lakhs. Consequently the profit before tax for the above year was Rs. 664.28 lakhs and profit after tax was Rs. 534.02 lakhs.The consolidated revenue of the Company (including its subsidiaries, joint venture entity and associate companies) was Rs. 11,839.54 lakhs and the profit after tax was Rs. 643 lakhs in the Financial Year 2012-2013.
(5) Export performance and net foreign exchange collaborations	As per the published audited financial results for the year ended 31.03.2013, the export turnover (on Consolidated basis) was Rs.7,287.47 lakhs.
(6) Foreign investments or collaborators, if any.	A Joint Venture entity for manufacturing and marketing of wheel chairs based on levitation movement technology has been set up i.e. Vasko Glider s.r.o., in the Czech Republic.

II. Information about the Managing Director:

(1) Background details	Mr. Krishna Datla is a Commerce Graduate from the Mumbai University. Mr. Krishna Datla has several years of experience in the field of Pharmaceuticals, Bulk Drugs & strategic planning & structuring of businesses. He is one of the Promoters of the Company and has been associated with the operations of the Company for the last 13 years.
(2) Past remuneration	Mr. Krishna Datla, has been drawing a remuneration comprising of basic salary of Rs. 3,00,000/- per month in the scale of Rs. 3,00,000/- to Rs. 5,00,000/- per month, along with other perquisites (including furnished accommodation) and allowances.

(3) Recognition or awards	Not applicable
(4) Job profile and suitability	Mr. Krishna Datla, Managing Director is spearheading the businesses of the company and is responsible for the growth and strategy of the company and its subsidiaries.
(5) Remuneration proposed	In case of absence or inadequacy of profits, during the period from April 01, 2013 to May 08, 2015, the remuneration proposed by the Company to be paid to the Managing Director is as follows: Remuneration by way of salary, perquisites and other allowances and benefits as per the applicable limits specified in the Act pursuant to Section II (1) (B) / (C) of Part II of Schedule XIII and other applicable provisions, if any, in case of absence or inadequacy of profit during the aforesaid period(s).
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	In the pharmaceutical and chemical and other multi business segment industries, the emoluments drawn by Managing Directors are much higher in comparison to the remunerations drawn by the Managing Director of the Company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Save as aforesaid, there was no other pecuniary relationship directly or indirectly with the Company and the Managing Director. Mr. Krishna Datla is related to Mrs. Rajeshwari Datla, a non-executive Director of the Company.

III. Other information

(1) Reasons of loss or inadequate profits	Though the net profits of the Company up to the period ended March 31, 2013 has been positive and adequate, however the manner of calculation of eligible profits for managerial remuneration as specified in Section 349 of the Companies Act, 1956 may result in payment of remuneration in excess of the limits specified in Section 309 read with Section 198 of the Act.
(2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.	The Company has initiated several measures for cost management and prudent utilization of its assets to enhance the profitability of the Company. As mentioned above, the company has been investing in various business segments including its subsidiaries, Joint Venture entity and associate companies; the investments are expected to yield desirable returns in the near future.

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 14, 2013.

Registered Office:
'DIL' Complex, Ghodbunder Road,
Majiwada, Thane (West) – 400 610.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**

2. The details of the Director recommended for re-appointment at the Annual General Meeting under item no. 3 above, as required by Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, are furnished in the Corporate Governance Report.

3. The final equity dividend, if declared at the Annual General Meeting will be paid on or after September 30, 2013 to those members whose names appear:

   (a) in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before September 15, 2013 and

   (b) as beneficial owners as at the end of business hours on September 15, 2013 as per the list furnished by National Securities Depository Limited and Central Depository Services Limited in respect of shares held in dematerialized form.

4. The Register of Members and Share Transfer Books will remain closed from Monday, September 16 2013 to Friday, September 27, 2013 (both days inclusive) for the purpose of the payment of final equity dividend for the financial year 2012-13.

5. Members are hereby informed that dividend, which remain unclaimed / unencashed over a period of seven (7) years, will be transferred by the Company to the Investor Education and Protection Fund (IEPF) constituted by the Central Government under Sections 205A and 205C of the Companies Act, 1956 (Act). Details of unpaid/unclaimed dividend as on September 28, 2012 have been uploaded on the website of the Company and Form 5INV containing such details have been filed with the Ministry of Corporate Affairs (MCA). The unpaid/ unclaimed dividend as on September 27, 2013 will be uploaded on the website of the Company and Form 5INV containing such details will be filed with MCA within the stipulated time period. All unclaimed dividend upto the financial year ended March 31, 2005 has been transferred to the IEPF.

6. Dividend for the financial year ended March 31, 2006, which remains unpaid or unclaimed, will be due for transfer to the IEPF on November 3, 2013, pursuant to the provisions of Section 205A of the Act.

7. Members who have not encashed their dividend warrants/drafts for the year ended March 31, 2006 or thereafter are requested to forward their claim(s) to the Company at its Registered Office and / or to the Company's Registrar and Transfer Agents. Members are advised that no claims shall be entertained against the Company for the amount of unclaimed dividend transferred to the said IEPF.

8. Members holding shares in the same name under different Ledger Folios and wish to consolidate such Folios may send the relevant share certificates to the Company's Registrar and Transfer Agents for necessary action(s).

9. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company's Registered Office at least one week before the date of the meeting so that the information can be made available at the meeting.

10. Members / proxies should bring the attendance slip duly filled in, for attending the meeting. The Members are requested to bring their copies of the Annual Report as the same will not be distributed at the meeting.

11. Members holding shares in physical form can avail the nomination facility by filing Form 2B (in duplicate) prescribed under Rule 5D of the Companies (Central Government's) General Rules and Forms, 1956 with the Company or its Registrar and Share Transfer Agents. In case of shares held in dematerialized form, the nomination has to be lodged with the Depository Participant. The above form will be made available on request.

12. The Company has provided facility to the Members for receiving dividend through National Electronic Clearing System (NECS) to avoid loss in transit, fraudulent interception and encashment and undue

delay in receipt of dividend warrant(s). Members holding shares in physical form and wishing to avail this facility are requested to send their details in NECS mandate form to the Company's Registrar and Transfer Agents. Members holding shares in dematerialized (electronic) form are requested to note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. Members may note that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrant(s).

13. Ministry of Corporate Affairs vide its Circular No.17/ 2011 of April 21, 2011 and 18/2011 of April 29, 2011 has taken a 'Green Initiative' by allowing companies to mail notices, annual reports and other documents (Documents) through electronic mode provided the Company has obtained e-mail addresses of the members. In view of this, the members are once again requested to intimate their e-mail IDs or any changes, from time to time to the Company's Registrar and Transfer Agents, in case shares are held in physical mode or to their respective Depository Participants, if shares are held in dematerialized mode. In future, such e-mail ID of the members will be used by the Company for service of Documents through electronic mode. If you wish to obtain physical copy of such Documents issued to you through electronic mode, you may email your request to contact@dil.net or write a letter to our Registrar and Transfer Agents by quoting your folio number or DP ID / Client ID.

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 14, 2013.

Registered Office:
'DIL' Complex,
Ghodbunder Road,
Majiwada,
Thane (West) – 400 610.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the 61st Annual Report and the Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

	(Amount - ₹.in Lakhs)	
Stand alone results	**2012-2013**	2011-2012
Total Revenue	**1,806.36**	2,752.00
Total Expenditure	**895.36**	744.16
Profit before Interest, Depreciation and Tax ('EBIDTA')	**910.73**	2,007.84
Financial Cost	**21.41**	7.45
Depreciation and Amortization Expense	**225.04**	170.98
Interest Income	**–**	11.40
Profit before tax ('PBT')	**664.28**	1,840.81
Less : Provision for tax (including deferred tax)	**130.26**	372.70
Profit after tax ('PAT')	**534.02**	1,468.11
Balance brought forward	**4,033.53**	3,514.98
Balance for appropriations	**4,567.55**	4,983.09
Appropriations		
Interim Dividend	**343.98**	343.98
Proposed Dividend	**171.99**	343.98
Dividend Distribution Tax	**85.03**	111.60
Transfer to General Reserve	**54.00**	150.00
Balance in Statement of Profit and Loss	**3,912.55**	4,033.53
	4,567.55	4,983.09
Consolidated results		
Total Revenue	**11,834.50**	1,3301.37
Total Expenditure	**9,388.04**	8,814.42
Profit before Interest, Depreciation and Tax ('EBIDTA')	**2,446.46**	4,486.95
Financial Cost	**501.79**	387.47
Depreciation and Amortization Expense	**939.56**	776.07
Interest Income	**(5.04)**	(13.03)
Profit before tax ('PBT')	**1,010.15**	3,336.44
Less : Provision for tax (including deferred tax)	**367.15**	640.18
Less : Provision for tax in respect of earlier years written back	**–**	0.35
Profit after tax ('PAT')	**643.00**	2,695.91
Minority interest	**(30.01)**	(297.53)
Share of interest in profit/(loss) of associates	**(197.08)**	(172.65)
Net Profit	**415.91**	2,225.73
Balance brought forward	**5,826.68**	4,550.51
Balance for appropriations	**6,242.59**	6,776.24
Appropriations		
Interim Dividend	**343.98**	343.98
Proposed Dividend	**171.99**	343.98
Dividend Distribution Tax	**85.03**	111.60
Transfer to General Reserve	**54.00**	150.00
Balance in Profit and Loss account	**5,587.59**	5,826.68
	6,242.59	6,776.24

RESULTS FROM OPERATIONS

During the year under review, the Company on a Stand alone basis, recorded a revenue of Rs. 1,806.36 lakhs, (Previous year Rs. 2,763.40 lakhs). The profit before tax for the year under review was Rs. 664.28 lakhs (previous year Rs. 1,840.81 lakhs) and profit after tax was Rs.534.02 lakhs for the year under review as against Rs.1,468.11 lakhs in the previous year.

The Company on a consolidated basis recorded a revenue of Rs.11,839.54 lakhs for the financial year 2012-2013 (Previous year 13,314.40 lakhs). The profit after tax was Rs.643 lakhs as against Rs.2,695.91 lakhs in the previous year.

DIVIDEND

During the year under review, the Board of Directors had declared and paid an interim dividend of Rs.15 per equity share of Rs. 10 each (150%) for the financial year 2012-13. Your Directors also recommend a final dividend of Rs.7.50 per equity share of Rs. 10 each (75%) for the year ended March 31, 2013, subject to the approval of the shareholders at this Annual General Meeting. The total equity dividend for the financial year 2012-13 will amount to Rs.22.50 per equity share (225%).

TRANSFER TO RESERVE

Your Directors propose to transfer Rs. 54 lakhs to General Reserve out of Rs. 4,567.55 lakhs i.e. the amount available for appropriations. An amount of Rs. 3,912.55 lakhs is proposed to be retained in the Profit and Loss Accounts for the financial year 2012-13.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been made as per the Listing Agreement with the Stock Exchange and the relevant Accounting Standards issued by the Institute of Chartered Accountants of India. The consolidated financial statement of the Company for the financial year 2012-13 includes financials of its subsidiaries i.e. Aegean Properties Limited, Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, CC Square Films Limited; Joint Venture Company, VasKo Glider s.r.o. and associate companies, Health and Wellness India Private Limited and Zela Wellness India Private Limited.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company in the year 2012-13 are reviewed under :

a. Strategic investments in pharmaceuticals, wellness management and discoidol electrical motor technology,
b. Property rentals, treasury operations and production of motion pictures and
c. Production of high quality Active Pharmaceutical Ingredients (API), for the pharmaceuticals, food and fine chemical industries through its subsidiary, Fermenta Biotech Limited (FBL).

   This MD&A section covers the management perspective and review of operational performance of the Company and its subsidiary, FBL.

Industry Structure and developments:

The industry structure and development pertaining to pharmaceutical, biotech and environmental solutions of FBL are as follows:

The Indian pharmaceutical industry is the third largest in terms of volumes and enjoys a good position in terms of value, worldwide. The total pharmaceutical market in India in the year under review includes a domestic market of Rs. 600 billion and the export market's share is Rs. 633 billion approximately. The industry registered an average compounded annual growth rate (CAGR) of 12.50% in the past five years and is expected to grow at an average CAGR of 15% during the financial year(s) 2012-17.

The Indian API industry contributes almost 50% of the total Indian pharmaceutical market. The positive factors of Indian API industry are the growing list of patent expiries and huge potentials in bulk drug outsourcing in India. Research based processes, low cost operations and availability of technical skillsets largely influences the growth of the API industry. Another noticeable trend of this segment is the increase in Drug Master File (DMF) filings with US and European regulatory authorities, thus indicating growth of wider global market.

In last few years, the Indian biotech industry grew at a brisk pace. The high growth percentage in this industry was mainly driven by growing demands, intensive Research and Development (R&D) activities and growth oriented initiatives mooted by the government.

Environmental solutions, water and wastewater management in industrial and municipal corporations have emerged as a large business market and has been growing in last few years. Considerable government allocations and funds from international agencies have augmented the growth of this sector.

Opportunities and Outlook:

Opportunities and outlook of pharmaceutical, biotech and environmental solutions of FBL are:

Market size of the global API is expected to grow to US $ 139.2 billion by 2014, at a CAGR of 10.6 percent. India is predicted to be the second-largest API manufacturer, growing its share to around 10.5 percent. It is expected that Indian bulk drug market will grow to $ 16.91 billion by 2014. A major share of API manufactured in India is exported.

The growth drivers of this industry include high growth of generics, patent expiries, cost effectiveness and growth of pharmaceutical industry. The growing demand from biopharmaceutical companies for new APIs will open up opportunities in coming years. Increase in the ageing population, lifestyle disorders, and increase in biotechnology-based drugs will continue to be the prime driving factors of the API industry.

There are number of new trials relating to the benefits of Vitamin D3 and its linking to the new health conditions, apart from bone health benefits. New formulations were launched in India mainly catering to formulation companies with Vitamin D3 brands in their bone health portfolio. The growing trend is expected to continue following increased Vitamin D3 use in fortification requirement.

India has been ranked among the top 12 biotech destinations worldwide and third largest in the Asia Pacific region. The industry is expected to grow to US$ 11.60 billion by 2017. In terms of growing demands worldwide, the biotech industry in India is expected to grow and would be driven by a range of factors including R&D activities, strong government initiative, skillsets and cost effectiveness. The global market for industrial enzymes witnessed a steady rise in last few years and in 2012 it grew by 5%. Demand for enzymes in developing economies is fast growing, while the demand from developed countries is firm and stable. New product applications were witnessed in the food enzyme market.

The Biotech division has been developing eco-friendly enzyme platforms that replace hazardous conventional chemical processes. Following the advent of new enzymes for antibiotics, efforts will help to transform the way the antibiotics are made. In the non antibiotics segment, launch of *Candida antartica* B Lipase enzyme is aimed at various viable processes. Continuous development of enzyme platforms has projected FBL as a preferred eco-friendly service provider.

Water and wastewater treatment, especially in the industrial and municipal sectors, is a growing business. Emergence of these markets is influenced by better Government allocations and funds from foreign agencies. Considering the large number of towns and a few waste water collection and treatment facilities, this sector enjoys sizable untapped business potential.

Strengths:

The strengths associated with FBL's pharmaceutical, biotech and environmental solutions are:

FBL has been focussing on manufacture of specialty APIs and bio catalysts for more than a quarter of a century. The API division of FBL manufactures niche and specialized products like Vitamin D3 and Phenyramidol. World class quality and cutting edge technology driven API are the two principal competencies of FBL. FBL is counted as a trusted reliable source, for specialty pharmaceutical products in as many as forty countries.

FBL is one of the few manufacturers in the world to produce next generation enzymes and immobilization materials. Its strong research competence is reflected in ability to match global demands of multinational companies, in terms of quality, productivity and consistency. Good intellectual protections and customer proximity adds value to the overall performance.

The environmental solutions division has successfully demonstrated its proprietary product in Sewage Treatment Plant (STP) of various municipalities, which reflected superior plant performance, lower power consumptions, improved treated water quality and cost effectiveness. Other notable advantages include execution of environmental projects of varying magnitude and nature and successful use of FBL's product(s) in different applications ranging from treatment of Sewage Treatment Plant / Effluent Treatment Plant, bioremediation of oil sludge and lakes.

Concerns:

Main concerns of three main divisions of FBL are:

The major challenges in the API industry in India are increasing competition vis a vis its manufacturing capacities, varying regulatory requirements and threat from countries like China. Due to growing market requirements and demanding needs of customers from various geographies, proper production plans are required to be implemented by FBL to minimize the possibility of losing market share. Profit margins and deterioration in quality may affect the reputation of the brand. Other factors of concerns include, growing competition, infringement of intellectual property rights and concentration of specific geographies. Few concerns regarding wastewater management include lack of organizational strategy, poor regulatory measures, inadequate facilities and financial constraints may hamper the growth of the business.

Performance:

The total revenue of the Company in the stand alone account for the year 2012-13 was Rs. 1,806 lakhs as against Rs. 2,763 lakhs in the previous year. The profit after tax in the year 2012-13 was Rs. 534 lakhs, a decline of 64%.

In the consolidated accounts of the Company for 2012-13, the total revenue was recorded at Rs. 11,840 lakhs, as compared to Rs.13,314 lakhs in the year 2011-12. Profit after tax was at Rs. 643 lakhs during the financial year 2012-13 as against Rs. 2,696 Lakhs in 2011-12, showing a decline of 76%.

You may recall that in the financial year 2011-12, an extra ordinary item i.e. profit on sale of investment in an associate company of Rs. 911 lakhs in standalone financial accounts and Rs. 1,069 lakhs in consolidated accounts were posted respectively. Hence, this singular transaction accounts for the decline in the gross revenue and profit of 2012-13.

The total revenue of FBL in the year 2012-13 was Rs. 10,177 lakhs as compared to Rs. 10,530 lakhs. In 2012-13, Profit after tax was Rs. 111 lakhs as against Rs. 1,063 lakhs in the financial year 2011-12.

Rentals and Treasury Operations:

The total revenue of the Company in the year 2012-13 was Rs. 1,806 lakhs and the profit after tax was Rs. 534 lakhs respectively. The total income of the Company is mainly earned from the rental and treasury operations.

The reforms highlighted in the Union budget 2013-14 in relation to treasury operations, have mixed response in terms of realizable benefits to the Company. In the Financial Year 2011-12, most of the mutual fund investments were either reinvested into bank deposits or utilized to meet the funding requirements of the on-going IT/ITES building of the Company at Thane. This realignment of funds was also carried out in order to continue with the present line of activities.

The Investment Committee of the Company sanctions investment proposals and monitors the investments as per the laid parameters and ensures regulatory compliances of such operations.

As reported in the Annual report 2012, the Company has obtained permission from Thane Municipal Corporation to redevelop part of its property situated at Dil complex, Thane into an IT/ITES building. The foundation work of the building started on November 5, 2012. As on the date of this report, almost 50% of the IT/ITES building civil structure has been completed. Barring unforeseen circumstances, the building is expected to be ready for 'fit-out' by the end of the financial year 2013-14.

The Union budget 2013-14 was a mixed bag for the real estate sector. As quoted in a report of a leading real estate consulting firm, peripheral regions (includes Thane) of Mumbai witnessed reasonable leasing activity in 2013. It is also mentioned that Thane along with Navi Mumbai are preferred destinations for back office expansions. To sum up, Thane and Navi Mumbai are expected to drive the availability of relatively attractive office options to cater to a wider cross-section of occupiers ranging from IT/ITES, Banking, Financial Services, Insurance (BFSI), BPOs/KPOs and consulting firms.

Delay in completion of the building vis a vis cost escalation and low tenants' demand are the concerns of the rental operations.

Entertainment:

White Stripes, the entertainment division of the company, is maintaining a business alliance with Fox Star Studios India Pvt. Ltd. to present and co-produce the remake of 'Chupke Chupke'. The expected target of theatrical release of the remake film is in the year 2014. The film is slated to be directed by an upcoming director.

Indian film industry has grown from Rs.92.9 billion in 2011 to 112.4 billion in 2012 showing a 21% growth, and is expected to continue its growth trajectory and would be worth Rs.193.3 billion by 2017 as per the KPMG 2013 industry report.

The industry is expected to achieve 100% digitalization of screen in next few years. This would result in increase in overall investment in content, marketing and more releases – a reflection of greater audience spend and rise in box office success stories. With these backdrops, White Stripes' has positioned itself to increase its slate with new ventures.

INTERNAL CONTROL SYSTEMS

The Company has adopted an internal control system commensurate with its size, nature of operations, reporting(s) and compliance with applicable laws and regulations. The Internal Audit is conducted by an independent firm of Chartered Accountants.

The Company has a well staffed, experienced and qualified Finance Department who play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements. The Audit Committee and the Board of Directors review the report(s) of the independent Internal Auditor at regular intervals on the adequacy and effectiveness of Internal Control system and suggest ways to improve it.

HUMAN RESOURCES

The Human Resources function has been an integral part of the Company. This involves timely acquiring of talents from the market through various sources. Compensation and benefits bench markings are reviewed periodically in order to retain and attract talents. The company initiated the employee development assignments by using scientific tools through Thomas Assessments. Personal Profile Analysis has been done from the middle management level onward and these results were mapped with the respective Human Job Analysis. This process facilitated for identifying the training needs and employees have gone through relevant behavioural workshops. As on March 31, 2013, the employee strength stands 47 for the company and 215 for the other group companies.

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 for the year ended March 31, 2013 is not submitted as none of the employees of the Company is drawing remuneration in excess of Rs 5 lakhs per month or Rs 60 lakhs per annum as specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and further amended by Companies (Particulars of Employees) Amendment Rules, 2011.

PUBLIC DEPOSIT

Your Company has not accepted any deposits from the public during the year.

DIRECTORS

Mr. Vinayak Hajare, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

S. R. Batliboi & Associates LLP, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them confirming that such appointment if made will be in compliance of Section 224(1B) of the Companies Act, 1956

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i) in the preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed;

ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts for the financial year ended March 31, 2013 have been prepared on a 'going concern' basis.

SUBSIDIARY COMPANIES

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 and in accordance with the General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors consented that the Statement of Balance Sheet, Profit and Loss and other documents of the subsidiary companies will not be attached to the Balance Sheet of the Company for the financial year 2012-2013. A statement containing the brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is included in the Annual Report. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company seeking information at any point of time. The financial accounts of the subsidiary companies will be kept open for inspection at the registered office of the Company.

The consolidated financial statements presented by the Company include financial information of its subsidiaries, Joint Venture and associate companies prepared in compliance with applicable Accounting Standards.

DISCLOSURES UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956

(A) Energy Conservation Measures and Technology Absorption, Adoption and Innovation

Information in accordance with provision of Section 217(1)(e) of the Act, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of energy and technology absorption is not applicable to the present activities of the Company and hence no annexure forms part of this report.

(B) Foreign Exchange Earnings and Outgo

During the year under review, there were no Foreign Exchange earnings. Foreign Exchange outgoings are provided in Note No. 35 to the Accounts.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance along with the Corporate Governance Certificate issued by V N Deodhar & Co, Practicing Company Secretaries, forms part of this Report.

SOCIAL INITIATIVES

Your Company has been associated with charitable organizations that provide educational support to needy children such as building of schools and providing other required facilities. The Company has initiated necessary steps to make donations to Prime Minister's National Relief Fund and a NGO to support the victims of floods and landslides experienced in Uttarakhand during June 2013.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for assistance and co-operation received from the banks, Government authorities, consultants, service providers, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the employees of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in the statements.

For and on behalf of the Board of Directors

G. G. Desai
Chairman

Thane, August 14, 2013

Registered Office :
'DIL' Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Company constantly strives towards betterment of aspects such as transparency, professionalism and accountability and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society as a whole. The Company is committed to good corporate governance in line with the Listing Agreement and in keeping with Corporate governance norms. The Board of Directors of your Company reviews company practices and recommends suggestions for improvement to the management for implementation.

BOARD OF DIRECTORS

The Board of Directors of the Company have an optimum combination of executive and non-executive Directors as stipulated under clause 49 of the Listing Agreement with the Stock Exchange. The Chairman of the Board is a Non Executive Independent Director.

The Composition of the Board as on March 31, 2013 is as follows:

Name of Director	Category	* Other Directorships	** Chairmanship in Committees	** Committee Memberships
Mr. G. G. Desai	Chairman - Non Executive and Independent Director	5	3	2
Ms. Rajeshwari Datla ***	Non-Executive Director	Nil	Nil	1
Mr. Krishna Datla ***	Managing Director	3	Nil	3
Mr. Satish Varma	Non-Executive Director	3	Nil	4
Mr. Sanjay Buch	Independent Director	2	2	2
Mr. Vinayak Hajare	Independent Director	Nil	Nil	1

* *Directorships in private limited companies, foreign companies, section 25 companies and associations are excluded.*

** *Represents Memberships / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee across all companies.*

*** *Mr. Krishna Datla is one of the Promoters of the Company. Ms. Rajeshwari Datla is a relative of Mr. Krishna Datla as per the provisions of section 6 of the Companies Act, 1956.*

PROFILE OF DIRECTORS

Information of Directors seeking reappointment, as required under clause 49 of the Listing Agreement:

- Mr. Vinayak Hajare (54), M.B.A in Finance, has over 29 years of rich experience in areas like Investment Banking and Corporate Finance. Mr. Hajare was an Associate Director at Ernst and Young and held several senior positions in companies like Caylon Bank and Lazard India.

Mr. Hajare was appointed as an Additional Director on the Board of the Company w.e.f. June 18, 2009 and his appointment as a Director was confirmed by the Members in the Annual General Meeting of the Company held on September 29, 2009. Mr. Hajare does not hold on his own or by/for any other person on a beneficial basis, any shares in the Company.

Mr. Vinayak Hajare is associated as a Director in the following other companies:

1. InterGest South Asia Private Limited
2. Ishitva Financial Services Private Limited
3. Lohr India Private Limited (Alternate Director)
4. Meva Formwork Systems Private Limited (Alternate Director)
5. Gumpro Drilling Fluids Private Limited

Mr. Hajare is also member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.

BOARD MEETINGS

- During the financial year under review, five Board Meetings were held on May 29, 2012, June 26, 2012, August 14, 2012, November 10, 2012, and February 13, 2013. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. Attendance at the five Board meetings and previous Annual General Meeting (AGM) held on September 28, 2012 is as follows:

Name	Meetings attended	Attendance at Previous AGM
Mr. G. G. Desai	5	Yes
Ms. Rajeshwari Datla	5	Yes
Mr. Sanjay Buch	5	Yes
Mr. Satish Varma	4	Yes
Mr. Krishna Datla	5	Yes
Mr. Vinayak Hajare	5	Yes

AUDIT COMMITTEE

- The composition of the Audit Committee as on March 31, 2013 and the attendance of the Audit Committee members at the Committee meetings held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. G. G. Desai	Chairman	4
Ms. Rajeshwari Datla	Member	4
Mr. Sanjay Buch	Member	4
Mr. Vinayak Hajare	Member	4
Mr. Satish Varma	Member	3

The composition of the Audit Committee complies with the requirements laid down in Clause 49 of the Listing Agreement with the Stock Exchange. Mr. G.G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare have accounting and financial management expertise.

During the year under review, four Audit Committee meetings were held on May 29, 2012, August 14, 2012, November 10, 2012 and February 13, 2013. The representatives of the Auditor(s) and Chief Financial Officer also attended the Audit Committee meeting(s) as invitees. The Company Secretary acted as Secretary to the Audit Committee.

- ***Terms of reference:***

  The role and functions of the Audit Committee are as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 II (D) and (E) of the Listing Agreement, which, inter alia include the following :

  1. Review company's financial reporting process and accounting policies and practices.
  2. Review and recommend to the Board, appointment, re-appointment and removal of Statutory and Internal Auditors and their performances and fixation of audit and other fees.
  3. Review, with management, quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval.
  4. Review adequacy of internal control systems and internal audit function.
  5. Review reports and significant findings, if any, of the Internal and Statutory Auditor and to ensure that suitable follow-up action is taken.
  6. Discussion with Statutory Auditors and Internal Auditors about nature and scope of audit and areas of concern.
  7. Examination of disclosure aspects of related party transactions.
  8. Ensure compliance with Listing Agreement and other legal requirements relating to financial statements.
  9. Review of financial statements of subsidiary companies, joint venture and associate companies.
  10. Review substantial defaults in payments to stakeholders and creditors.
  11. Any other functions as may be statutorily required.

REMUNERATION COMMITTEE

- The Remuneration Committee is entirely composed of independent directors. The composition of the Remuneration Committee as on March 31, 2013:

Name of the Director	Designation
Mr. G. G. Desai	Chairman
Mr. Sanjay Buch	Member
Mr. Vinayak Hajare	Member

During the year under review no Remuneration Committee meeting was held.

- **Terms of reference & remuneration policy:**

  The terms of reference of the Committee include recommending to the Board of Directors, the terms of remuneration and commission payment, if any of the Managing Director. The Non-Executive Directors receive sitting fees for attending the meetings of Board of Directors and its Committees (i.e. Audit Committee, Remuneration Committee and Investors' Grievance Committee).

- **Details of remuneration of Directors for the financial year ended March 31, 2013 are as follows:**

Name of Director	Sitting Fees * (Rs.)	Salary (Rs.)	Contribution to PF and other funds (Rs.)	Benefits & Perquisites (Rs.)	Total (Rs.)	No. of Shares held
Mr. G. G. Desai Independent Director	1,40,000	—	—	—	1,40,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	1,20,000	—	—	—	1,20,000	18,716
Mr. Sanjay Buch Independent Director	1,40,000	—	—	—	1,40,000	NIL
Mr. Krishna Datla ** Managing Director	—	41,00,000	6,05,077	72,324	47,77,311	2,13,129
Mr. Satish Varma Non-Executive Director	1,10,000	—	—	—	1,10,000	NIL
Mr. Vinayak Hajare Independent Director	1,20,000	—	—	—	1,20,000	NIL
TOTAL	**6,30,000**				**54,07,311**	

* *Sitting Fees include fees for Board and Committee Meetings @ Rs.20,000/- and Rs.5,000/- per meeting respectively;*

** *The agreement between the Company and the Managing Director is for a period of five years. Either party to the agreement is entitled to terminate the same by giving not less than three months notice in writing to the other party;*

The Company has not granted any Stock Option to any Director and there has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive / Independent Directors during the year under review.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- During the year under review four Shareholders'/Investors' Grievance Committee meetings were held on May 29, 2012, August 14, 2012, November 10, 2012 and February 13, 2013. The composition of the Shareholders' / Investors' Grievance Committee as on March 31, 2013 and the attendance at the said Shareholders' / Investors' Grievance Committee is as follows:

Name of the Director	Designation	Meetings attended
Mr. G.G. Desai	Chairman	4
Mr. Sanjay Buch	Member	4
Mr. Krishna Datla	Member	4
Mr. Satish Varma	Member	3

The Company Secretary acted as a Secretary to Shareholders'/Investors' Grievance Committee Meetings.

- Terms of Reference:

The Committee, inter alia, deals in matters relating to:

i) Redressal of Shareholders' grievances.

ii) Issue of duplicate Share Certificates.

iii) Review of Dematerialised shares.

iv) Transfer and Transmission of shares.

v) Other matters related to shares and/or investor grievances.

- Name and designation of Compliance Officer : Mr. Srikant N. Sharma - Company Secretary.

  Investor Helpdesk:

  Mr. Srikant Sharma
  DIL Limited
  DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 400610
  Tel No.022-67980800 Fax:-022-67980899
  e-mail: srikant.sharma@dil.net

- The number of investor complaints received and resolved during 2012-2013 was 26.
- Pending complaints as on March 31, 2013 were nil.

GENERAL BODY MEETINGS

- Details of the last three Annual General Meetings of the Company and Special Resolution(s) passed is as follows:

Year	Date and Time	Location	Special Resolution(s) passed
2009-2010	September 27, 2010 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	Re-appointment of Mr. Krishna Datla as Managing Director of the Company for a period of five years with effect from May 9, 2010
2010-2011	September 27, 2011 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	No Special Resolution was passed.
2011-2012	September 28, 2012 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	No Special Resolution was passed.

Postal Ballot

No special resolution was passed by way of Postal Ballot during the financial year ended March 31, 2013.

DISCLOSURES

- In line with the requirement of the amended Clause 49 of the Listing Agreement, the Company had appointed a reputed consultancy firm to do a complete review of the potent risks areas to the Company and to devise systems for review and implementation. Based on the system and procedures devised, the risk management reports are periodically placed before the Audit Committee and Board of Directors for review.

- During the year under review, there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries joint venture and associate companies or relatives, etc. that may have potential conflict with the interests of the Company at large. Suitable disclosure as required under the Accounting Standard (AS-18) has been made in the Annual Report.

- During the last three years, there were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s), SEBI or any statutory authority, on any matter related to the capital markets.

- Pursuant to Clause 49 of the Listing Agreement, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2013. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- The Board of Directors may formulate Whistle Blower Policy in future.
- **Reconciliation of Share Capital Audit**

  Share capital audit for the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company has been done by a Practicing Company Secretary on quarterly basis and the Reconciliation of Share Capital Audit Reports were issued thereon during the year under review. The audit confirms that the total issued / paid – up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- **Compliance with Mandatory Requirements:**

  The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.
- **Compliance with Non-Mandatory Requirements:**

  With regard to the non-mandatory requirements of Clause 49 of the Listing Agreement, the Company has constituted a Remuneration Committee, details of which are provided elsewhere in this report.
- **Shareholder's Rights**

  The Company publishes its financial results on its website at www.dil.net which is accessible by the public at large. These financial results are also available on the website of www.bseindia.com. The Company's results for each quarter are published in an English newspaper and Marathi newspaper respectively. Hence the results are not sent to the shareholders individually.

MEANS OF COMMUNICATION

- The quarterly results, published in the proforma prescribed under the Listing Agreement, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith sent to the Bombay Stock Exchange Limited where the Company's shares are listed.

• Newspapers wherein quarterly results are published	:	Business Standard (English) & Sakal (Marathi)
• Any website, where displayed	:	Yes, BSE website www.bseindia.com and the company's website www.dil.net
• Corpfiling	:	Information to the Stock Exchange is also being filed through corp-filing. Investors can view this information by visiting the website www.corpfiling.co.in
• Whether it also displays official news releases and presentations made to institutional investors or to analysts	:	NIL
• Management discussion and analysis report (MD&A) is a part of the Annual report or not	:	MD&A Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting : Friday, September 27, 2013 at 3.00 p.m. at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W), 400610.

- Financial Year : April 1 to March 31
  Financial reporting for the quarter ending June 30, 2013 : By August 14, 2013
  Financial reporting for the quarter ending September 30, 2013 : By November 14, 2013
  Financial reporting for the quarter ending December 31, 2013 : By February 14, 2014
  Financial reporting for the year ending March 31, 2014 : By May 30, 2014

- Date of Book closure : September 16, 2013 to September 27, 2013 (Both days inclusive)

- Dividend Payment Date : Interim dividend (2012 -2013) of Rs. 15 per equity share was paid on July 11, 2012 and final dividend (2012-2013) of Rs. 7.50 per equity share, if declared at this AGM, shall be paid on or after September 30, 2013

- Listing on Stock Exchanges : Bombay Stock Exchange Limited (Listing Fees for the year 2013-14 has been paid)

- Stock Code on the Bombay Stock Exchange Limited : 506414

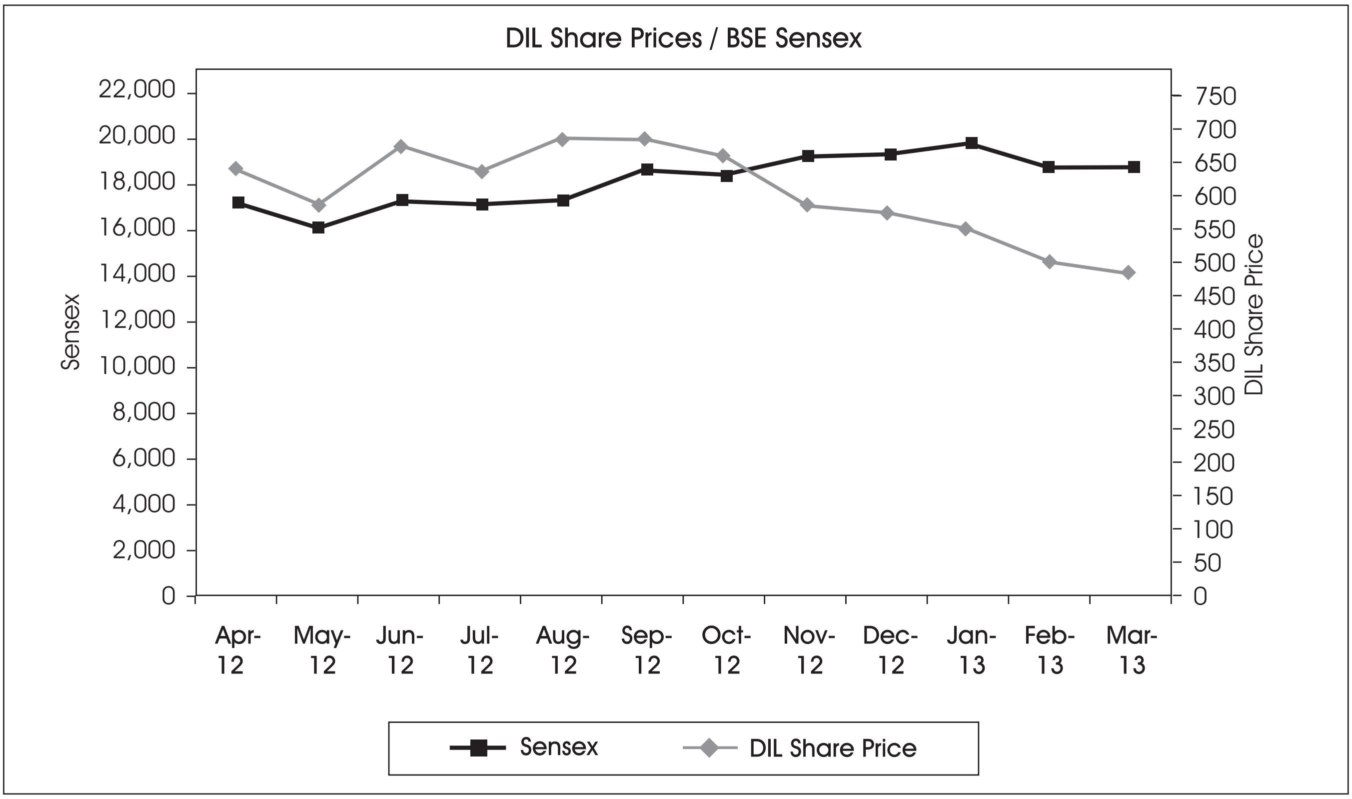
- Market Price Data : High / low during each month in the financial year ended March 31, 2013.

Month	Bombay Stock Exchange Limited	
	Highest (₹.)	Lowest (₹.)
April 2012	776.90	501.50
May 2012	669.00	530.05
June 2012	709.00	545.35
July 2012	701.40	590.40
August 2012	730.00	620.30
September 2012	746.90	670.20
October 2012	710.00	640.00
November 2012	698.00	581.00
December 2012	616.95	565.00
January 2013	619.00	550.00
February 2013	587.40	475.00
March 2013	502.45	450.05

• Performance in comparison to broad-based indices such as BSE Sensex.

Month	DIL's Closing Price (₹.)	Sensex Closing Price (₹.)	No. of shares traded (in Crores)
April 2012	643.80	17,318.81	21.28
May 2012	587.90	16,218.53	25.00
June 2012	678.60	17,429.98	21.99
July 2012	636.10	17,236.18	21.03
August 2012	688.40	17,429.56	21.29
September 2012	701.90	18,762.74	21.54
October 2012	663.65	18,505.38	20.07
November 2012	586.70	19,339.90	16.29
December 2012	572.65	19,426.71	17.49
January 2013	552.10	19,894.98	21.12
February 2013	502.70	18,861.54	17.96
March 2013	487.60	18,835.77	19.45

• DIL Limited's Share Price Movement / BSE Sensex



- Registrar and Transfer Agents : Link Intime India Private Limited
  C-13, Pannalal Silk Mills Compound,
  L. B. S. Marg, Bhandup (West),
  Mumbai – 400 078.
  Maharashtra, India.
  Tel No : +91 22 2594 6970
  Fax No : +91 22 2596 2691
  Email : rnt.helpdesk@linkintime.co.in

- Share Transfer System: Shares are normally transferred within a period of 15 days from the date of receipt, provided the documentation is in place. In order to expedite the process of share transfers, the Board of Directors has delegated the powers of share transfer and related matters to Mr. G.G Desai, Chairman of the Shareholders/Investors Grievance Committee and Mr. Sanjay Buch, Member of the Shareholders/Investors Grievance Committee, who attends the share transfer formalities at least once in a fortnight. The meeting of Shareholders'/ Investors' Grievance Committee is also held once in every three months. All transfers of shares in physical mode are registered and approved by authorised signatories of the Company.

- Distribution of Equity shareholding as on March 31, 2013

Sr. No.	Range in no. of shares	Holding (No. of shares)	Amount (₹.)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	3,36,411	33,64,110	14.6699	4,834	95.9889
2	501 - 1000	72,315	7,23,150	3.1535	98	1.9460
3	1001 - 2000	76,597	7,65,970	3.3402	56	1.1120
4	2001 - 3000	42,334	4,23,340	1.8461	17	0.3376
5	3001 - 4000	10,103	1,01,030	0.4406	3	0.0596
6	4001 - 5000	36,202	3,62,020	1.5787	8	0.1588
7	5001 - 10000	63,488	6,34,880	2.7685	9	0.1787
8	10001 and above	16,55,748	1,65,57,480	72.2025	11	0.2184
	Total	**22,93,198**	**2,29,31,980**	**100.0000**	**5,036**	**100.0000**

- Equity Shareholding Pattern as on March 31, 2013

	Shareholding (no. of Shares)	% of Holding
Promoters	14,49,364	63.2028
Foreign Banks & NRI's	12,026	0.5244
Banks and Financial Institutions	17	0.0007
Other Bodies Corporate	1,02,425	4.4665
General Public	7,11,275	31.0167
Clearing Members	15,758	0.6872
Trusts	2,333	0.1017
TOTAL	**22,93,198**	**100.0000**

- Dematerialisation of Shares: ·The Company and Link Intime India Private Limited, has signed Tripartite Agreements with both National Securities Depository Ltd. and Central Depository Services (India) Ltd. The shares of the Company are compulsorily traded in the dematerialized form in the Stock Exchanges. Presently 92.64% of the equity shares of the Company have been dematerialized.

- Address for Correspondence :

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai – 400 078.
Maharashtra, India

Tel No : +91 22 2594 6970
Fax No : +91 22 2596 2691
Email : rnt.helpdesk@linkintime.co.in

DIL LIMITED
'DIL' Complex,
Ghodbunder Road,
Majiwada, Thane (W) – 400 610.
Maharashtra, India

Tel No : +91 22 6798 0888
Fax No : +91 22 6798 0899
Email : srikant.sharma@dil.net

For and on behalf of the Board of Directors

G. G. Desai
Chairman

Thane, August 14, 2013

Registered Office :
'DIL' Complex, Ghodbunder Road,
Majiwada, Thane (W) 400 610.

CODE OF CONDUCT

Declaration as required under Clause 49 of the Listing Agreement

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2013.

for DIL LIMITED

Thane
August 14, 2013

KRISHNA DATLA
Managing Director

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
DIL Limited
'DIL' Complex,
Ghodbunder Road, Majiwada,
Thane (W) 400 610, Maharashtra
India.

We have examined the compliance of the conditions of Corporate Governance by DIL Limited ('the Company') for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and 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 Agreement.

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

For **V N Deodhar & Co.**
Company Secretaries

V N DEODHAR
PROP.
FCS: 1880
CP: 898

Thane, August 14, 2013

Independent Auditor's Report

To

The Members of DIL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of DIL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose 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;

    (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

    (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W

per Vikram Mehta
Partner
Membership Number : 105938
Place of signature : Mumbai
Date : May 29, 2013

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: DIL Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The nature of the business of the Company is such that it does not have inventory in tangible form. Accordingly, the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(iii) (a) The Company has granted loan to Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 357.50 lacs and the year-end balance of loans granted to such party was Rs. 332.50 lacs.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(c) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public during the year.

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

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, for the products of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The provisions relating to custom duty and excise duty are not applicable to the Company.

(b) 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, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act	Sales Tax	99.67*	1995-1996	High Court, Bombay
The Gujarat Sales Tax Act	Sales Tax and Penalty	4.63	1992 to 1994	Sales Tax Appellate Tribunal
Central Excise Act, 1944	Service tax and Penalty	15.00	2000-2001	Customs, Excise & Service Tax Appellate Tribunal

* Company has paid the same under protest

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company has no outstanding dues to a financial institution or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W

per Vikram Mehta
Partner
Membership Number : 105938
Place : Mumbai
Date : May 29, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	**229.32**	229.32
Reserves and surplus	4	**9,208.70**	9,275.68
		9,438.02	9,505.00
Non-current liabilities			
Long-term borrowings	5	**36.93**	58.92
Deferred tax liability (net)	6	**20.47**	17.53
Other long-term liabilities	7	**77.27**	77.27
Long-term provisions	8	**26.44**	22.06
		161.11	175.78
Current liabilities			
Trade payables	9	**72.88**	19.37
Other current liabilities	9	**860.10**	882.29
Short-term provisions	8	**215.33**	439.64
		1,148.31	1,341.30
TOTAL		**10,747.44**	11,022.08
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	**973.17**	1,158.65
Intangible assets	11	**4.84**	7.13
Capital work-in-progress		**1.262.46**	525.58
		2.240.47	1,691.36
Non -current investments	12	**3,002.11**	2,844.76
Long-term loans and advances	13	**903.95**	143.10
Other non-current assets	14.2	**24.29**	–
		3,930.35	2,987.86
Current assets			
Current investments	15	**205.00**	805.37
Inventories	16	**45.06**	45.06
Trade receivables	14.1	**56.91**	25.88
Cash and bank balances	17	**3,291.97**	4,340.52
Short-term loans and advances	13	**807.34**	883.77
Other current assets	14.2	**170.34**	242.26
		4,576.62	6,342.86
TOTAL		**10,747.44**	11,022.08
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary	

Thane
Date: May 29, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
INCOME:			
Revenue from operations	18	**1,801.67**	1,840.29
Profit on sale of investment in associate (Refer Note 12)		–	910.81
Other income	19.1	**4.69**	0.90
Total revenue (I)		**1,806.36**	2,752.00
EXPENSES:			
Cost of production of motion film (Refer Note 2.1 (e))	20	–	45.06
(Increase) in inventories of work-in-progress	21	–	(45.06)
Employee benefits expense	22	**347.22**	331.39
Other expenses	23	**548.41**	412.77
Total (II)		**895.63**	744.16
Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)		**910.73**	2,007.84
Depreciation and amortization expense [Refer Note 2.1 (d)]	24	**225.04**	170.98
Interest income	19.2	–	(11.40)
Finance costs	25	**21.41**	7.45
Profit before tax (Refer Note 2.1 (d))		**664.28**	1,840.81
Tax expense:			
Current tax		**127.32**	380.50
Deferred tax (credit)/charge		**2.94**	(7.80)
Total tax expense		**130.26**	372.70
Profit for the year		**534.02**	1,468.11
Earnings per equity share [nominal value of share ₹.10/-]	26		
Basic / Diluted (₹.)		**23.29**	64.02
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 29, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**664.28**	1,840.81
Adjustment to reconcile profit before tax to net cash flows :			
Depreciation and amortization expense		**225.04**	170.98
(Profit)/Loss on sale of fixed assets (net)		**(1.34)**	10.47
Loss on deletion of fixed assets		**3.52**	2.30
Unrealised foreign exchange gain		**–**	(0.01)
Profit on sale of equity shares		**–**	(910.81)
Interest expenses		**21.41**	7.45
Interest on Income tax refund		**–**	(11.40)
Operating profit before working capital changes		**912.91**	1,109.79
Movements in working capital :			
Increase/(decrease) in trade payables		**49.23**	268.96
Increase/(decrease) in long-term provisions		**4.38**	20.64
Increase/(decrease) in short-term provisions		**1.93**	(419.65)
Increase/(decrease) in other current liabilities		**(30.22)**	33.33
Increase/(decrease) in other long-term liabilities		**–**	(14.85)
Decrease/(increase) in trade receivables		**(31.03)**	98.68
Decrease/(increase) in inventories		**–**	(45.06)
Decrease/(increase) in long-term loans and advances		**(221.86)**	(51.33)
Decrease/(increase) in short-term loans and advances		**142.36**	54.05
(Increase)/decrease in other current assets		**71.92**	(146.00)
(Increase)/decrease in other non-current assets		**(24.29)**	–
(Increase)/decrease in non-current investments		**(157.35)**	(760.50)
(Increase)/decrease in current investments		**600.37**	2,823.08
Cash generation from operations		**1,318.35**	2,971.14
Direct taxes paid (net of refunds)		**(220.93)**	165.39
Net cash flow from/ (used in) operating activities	(A)	**1,097.42**	3,136.53
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including CWIP and capital		**(1,312.38)**	(608.64)
Proceeds from sale of fixed assets		**1.34**	31.87
Sale of investments in subsidiary		**–**	1,129.33
Investments in bank deposits (having original maturity of more than three months)		**(3,088.86)**	(4,217.86)
Proceeds of bank deposits matured (having original maturity of more than three months)		**4,217.86**	1,191.06
Net cash flow from/ (used in) investing activities	(B)	**(182.04)**	(2,474.24)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

CASH FLOW STATEMENT (Contd.)

PARTICULARS		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings		–	24.84
Repayment of long-term borrowings		**(19.97)**	(19.94)
Interest paid		**(21.41)**	(7.45)
Dividend paid on equity shares		**(681.95)**	(567.99)
Tax on equity dividend paid		**(111.60)**	(93.00)
Net cash flow from/ (used in) in financing activities	(C)	**(834.93)**	(663.54)
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**80.45**	(1.25)
Effect of exchange difference on cash and cash equivalents held in foreign currency		–	0.01
Cash and cash equivalents at the beginning of the year		**122.66**	123.90
Cash and cash equivalents at the end of the year		**203.11**	122.66
Components of cash and cash equivalents			
Cash on hand		**1.67**	4.61
With scheduled banks on:			
Current account		**168.78**	83.97
Unclaimed dividend account*		**24.78**	18.77
With non-scheduled bank:			
Ceskoslovenska obchodini banka, a.s. Czech Republic		**7.88**	15.31
Total cash and cash equivalents (Refer Note 17)		**203.11**	122.66

Note
* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities
Summary of significant accounting policies

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 29, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. Corporate information

DIL Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay stock exchange. The Company is engaged in the business of renting properties, motion film production and distribution and in treasury operation. Treasury operation mainly includes investment of surplus funds. The Company also has strategic investments in subsidiary / associate companies primarily dealing in manufacturing of bulk drugs and providing services of sporting and health awareness/education activities and in joint venture dealing in manufacturing of wheelchairs based on Levitation Movement Technology.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision of impairment is made.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Presentation and disclosure of financial statements

The financial statements of the Company have been prepared and presented as per the revised Schedule VI notified under the Companies Act 1956.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used rates based on the following estimated useful life of the fixed assets

	Estimated useful life (in years)
Building	
On freehold land	3.25 - 58 (Refer Note below)
Leased improvements	30
Plant & Machinery	20
Computers	6
Furniture & Fixtures	6
Vehicles	8

Assets costing below Rs. 5,000 are fully depreciated on installation.

Note: In the previous year the Company has decided to amortise the net cost of the Thane building as on October 1, 2011 over the revised estimated useful life of 39 months beginning October 1, 2011. Consequently depreciation charge for the current year in respect of Thane building is ₹. 146.99 Lakhs (March 31, 2012-₹. 85.56 Lakhs). Had the Company continued the earlier useful life of 58 years as applicable to the building the depreciation charge would have been lower by ₹.115.28 Lakhs. (March 31, 2012 ₹. 56.43 Lakhs) and the profit before tax would have been higher by the same amount.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

	Estimated useful life (in years)
Film rights (Refer Note Below)	5
Computer software	6

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Note: During the previous year the Company has entered into an agreement for the joint development of remake of film rights. Accordingly the Net cost of ₹. 15.70 Lakhs has been reclassified as cost of production. (Refer Note 20)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(f) Impairment of tangible and intangible asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of operations, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(h) Inventories

Work-in-progress is valued at lower of cost and net realizable value. Cost is determined based on actual expenditure incurred.

(i) Retirement and other employee benefit

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund is charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates defined benefit gratuity plan for its employees. Employees are entitled to benefits under the payment of Gratuity Act 1972, a defined benefit plan. The plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment. The gratuity liability and net periodic gratuity cost is actuarially determined at the year end based on the projected unit credit method after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains/losses are immediately recorded to the Profit and Loss Account and are not deferred. The Company makes contributions to a fund administered and managed by Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC administers the scheme.

The Company also provides other long term benefit for compensated absences. Liability for long term compensated absenses are provided for based on actuarial valuation done as per projected unit credit method at the year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Interest income on loans and deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Gain or loss on the sale of equity and redemption of mutual fund units are recognised on accrual.

Revenue from licensing of motion film is recognised in accordance with the licensing agreement or physical delivery of the motion film, whichever is later.

Interest on income tax refund is recognised on receipt of the refund order.

Company provides Infrastructure support services (Refer note 18) as per contractual obligation and the income from such services are recognised on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(k) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange difference

All exchange differences are recognized as income or as expenses in the period in which they arise.

(l) Leases

As Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

As Lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, initial direct costs such as legal costs, brokerage costs, etc., are recognized as an expense in the statement of profit and loss.

(m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

For recognition of deferred taxes, the timing differences which originate first are considered to reverse first. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Provisions

A provision is recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) Contingent liabilities

Contingent assets are not recognized in the financial statements of the Company. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Segment Reporting

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Allocation of common costs :

Common costs are treated as unallocable costs.

Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from its operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

(t) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 3 - SHARE CAPITAL:		
Authorised Shares:		
49,20,000 (March 31, 2012 - 49,20,000) Equity shares of ₹.10/- each	**492.00**	492.00
80,000 (March 31, 2012 - 80,000) Unclassified shares of ₹.10/- each	**8.00**	8.00
	500.00	500.00
Issued, Subscribed and fully paid up shares:		
22,93,198 (March 31, 2012 - 22,93,198) Equity shares of ₹.10/- each.	**229.32**	229.32
	229.32	229.32

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

There is no movement in the number of issued, subscribed and paid up equity shares at the beginning and at the end of the financial year.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹.22.50/- (March 31, 2012: ₹.30/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding Company are as below.

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31,2012-12,36,235) equity shares of ₹.10/- each fully paid	**123.62**	123.62

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

Name of the shareholder	March 31, 2013		March 31, 2012	
Equity shares of ₹.10/- each fully paid,	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	**12.36**	**53.91%**	12.36	53.91 %
Mr. Krishna Datla	**2.13**	**9.29%**	2.13	9.29 %

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 4 - RESERVES AND SURPLUS:		
Capital Reserve:	**1,140.00**	1,140.00
General Reserve:		
Balance as per last financial statements	**4,102.15**	3,952.15
Add: Amount transferred from surplus balance in the statement of profit and loss	**54.00**	150.00
Closing Balance	**4,156.15**	4,102.15
Surplus in the statement of profit and loss		
Balance as per last financial statements	**4,033.53**	3,514.98
Profit for the year	**534.02**	1,468.11
Less: Appropriations		
Interim equity dividend (amount per share ₹.15/- (March 31, 2012: ₹.15/-))	**(343.98)**	(343.98)
Tax on Interim equity dividend	**(55.80)**	(55.80)
Proposed final equity dividend (amount per share ₹.7.50/- (March 31, 2012: ₹.15/-))	**(171.99)**	(343.98)
Tax on proposed equity dividend	**(29.23)**	(55.80)
Transfer to general reserve	**(54.00)**	(150.00)
Total appropriations	**(655.00)**	(949.56)
Net surplus in the statement of profit and loss	**3,912.55**	4,033.53
Total Reserves and surplus	**9,208.70**	9,275.68

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 5 - LONG-TERM BORROWINGS:				
Vehicle loan from banks (secured)	**36.93**	58.92	**21.99**	19.97
Amount disclosed under the head "other current liabilities" (Refer Note 9)	**–**	–	**(21.99)**	(19.97)
Net amount	**36.93**	58.92	–	–

Vehicle loans from banks were taken during the financial year 2008-09 to 2011–12 and carries interest ranging between @ 8.20% to 12.76% p.a. The loan is repayable in 36 / 60 monthly installments including interest. The loan is secured by hypothecation of vehicles.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 6 - DEFERRED TAX LIABILITY (NET):		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	**37.40**	34.91
Others	**4.33**	1.83
Gross deferred tax liability	**41.73**	36.74
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**13.15**	11.10
Provision for doubtful debts and advances	**8.11**	8.11
Gross deferred tax asset	**21.26**	19.21
Net deferred tax liability	**20.47**	17.53

	Non current		Current	
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 7 - OTHER LONG-TERM LIABILITIES				
Advance from Customer				
Deposits from tenants	**77.27**	77.27	**493.27**	516.95
Amount disclosed under "other current liabilities" (Refer note 9)			**(493.27)**	(516.95)
	77.27	77.27	**–**	–

	Long Term		Short Term	
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 8 - PROVISIONS:				
Provision for employee benefits				
Long term compensated absences	**26.44**	22.06	**14.11**	12.18
	26.44	22.06	**14.11**	12.18
Other provisions				
Proposed dividend	–	–	**171.99**	343.98
Provision for tax on proposed equity dividend	–	–	**29.23**	55.80
Taxation, net of advance taxes. (includes MAT credit of ₹.Nil (March 31, 2012 ₹.18.50 Lakhs)) (net)	**–**	–	**–**	27.68
	–	–	**201.22**	427.46
	26.44	22.06	**215.33**	439.64

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 9 - CURRENT LIABILITIES:		
Trade payables	**72.88**	19.37
(refer note below for details of dues to micro and small enterprises)		
Other current liabilities:		
Payable to subsidiary company - Fermenta Biotech Ltd.	**0.42**	0.19
Current maturities of long-term borrowings (Refer Note 5)	**21.99**	19.97
Current maturities of deposits from tenants (Refer Note 7)	**493.27**	516.95
Investor Education and Protection Fund will be credited by the following amount (as and when due)		
Unclaimed dividends	**24.78**	18.77
Others		
Statutory dues	**21.21**	17.05
Liability for capital expenditure	**58.24**	53.96
Others	**240.19**	255.40
	860.10	882.29
	932.98	901.66

Note:

The Company does not have any dues payable to any micro and small enterprises as per MSMED Act, 2006 as at the year end.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 10 - TANGIBLE ASSETS: ₹. in Lakhs

	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
Cost							
At April 1, 2011	20.79	729.79	478.22	280.98	225.36	295.73	2,030.87
Additions	–	28.07	13.96	6.45	34.58	–	83.06
Disposal	–	–	(40.85)	–	(52.65)	–	(93.50)
At March 31, 2012	20.79	757.86	451.33	287.43	207.29	295.73	2,020.43
Additions	**–**	**26.96**	**8.45**	**5.07**	**–**	**–**	**40.48**
Disposal	**–**	**–**	**(8.08)**	**(0.02)**	**(8.21)**	**–**	**(16.31)**
At March 31, 2013	**20.79**	**784.82**	**451.70**	**292.48**	**199.08**	**295.73**	**2,044.60**
Depreciation							
At April 1, 2011	–	208.58	176.76	242.69	65.42	54.51	747.96
Charge for the year	–	87.54	28.19	17.60	25.39	9.69	168.41
Disposal	–	–	(37.95)	–	(26.61)	–	(64.56)
At March 31, 2012	**–**	**296.12**	**167.00**	**260.29**	**64.20**	**64.20**	**851.81**
Charge for the year (Refer Note 2.1(d))	**–**	**148.96**	**25.56**	**15.90**	**22.33**	**9.69**	**222.44**
Disposal	**–**	**–**	**(4.56)**	**(0.02)**	**(8.21)**	**–**	**(12.79)**
At March 31, 2013	**–**	**445.08**	**188.00**	**276.17**	**78.32**	**73.89**	**1,061.46**
Impairment loss							
At April 1, 2011	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–
At March 31, 2012	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–
At March 31, 2013	**–**	**–**	**9.97**	**–**	**–**	**–**	**9.97**
Net Block							
At March 31, 2012	20.79	461.74	274.36	27.14	143.09	231.53	1,158.65
At March 31, 2013	**20.79**	**339.74**	**253.73**	**16.31**	**120.76**	**221.84**	**973.17**

Note:

1 Land includes ₹.8.06 Lakhs (March 31, 2012 ₹.8.06 Lakhs) being cost of land held in trust by Directors of the Company

2 Major portion of the building at Thane has been given on lease

3 Plant and equipment includes:

Assets held for disposal
- Gross block ₹.26.53 Lakhs (March 31, 2012 - ₹.26.53 Lakhs)
- Net block ₹.Nil (March 31, 2012 - ₹.Nil)

4 Vehicles includes hypothecated to banks
- Gross block ₹.143.20 Lakhs (March 31, 2012 - ₹.143.20 Lakhs)
- Depreciation charge for the year ₹.16.99 Lakhs (March 31, 2012: ₹.15.21 Lakhs)
- Accumulated depreciation ₹.42.04 Lakhs (March 31, 2012: ₹.25.05 Lakhs)
- Net block ₹.101.16 Lakhs (March 31, 2012 - ₹.118.15 Lakhs)

5 Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 11 - INTANGIBLE ASSETS:

₹. in Lakhs

	Computer software	Film rights (Note)	Total
Gross Block			
At April 1, 2011	20.92	24.48	45.40
Purchase	–	–	–
Disposal (refer note)	**(0.36)**	**(24.48)**	**(24.84)**
At March 31, 2012	20.56	–	20.56
Purchase	0.31	–	0.31
Disposal (refer note)	–	–	–
At March 31, 2013	**20.87**	**–**	**20.87**
Amortization			
At April 1, 2011	11.22	8.78	20.00
Charge for the year	2.57	–	2.57
Disposal	(0.36)	(8.78)	(9.14)
At March 31, 2012	13.43	–	13.43
Charge for the year	**2.60**	**–**	**2.60**
Disposal	**–**	**–**	**–**
At March 31, 2013	**16.03**	**–**	**16.03**
Net Block			
At March 31, 2012	7.13	–	7.13
At March 31, 2013	**4.84**	**–**	**4.84**

Note:

During the Previous year the Company has entered into an agreement for the joint development of remake of film rights. Accordingly the net cost of ₹.15.70 Lakhs has been reclassified as cost of production. (Refer Note 20)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 12 - NON-CURRENT INVESTMENTS :		
Trade investments (valued at cost unless stated otherwise)		
Equity instruments:		
Biodil Marsing Private Limited. (unquoted)* 59,000 (March 31, 2012 - 59,000) Equity shares of ₹.10 each fully paid up	**5.90**	5.90
Abbott India Limited (AIL) (quoted) 139 (March 31, 2012 - 139) Equity shares of ₹.10 each fully paid-up	**0.01**	0.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 12 - NON-CURRENT INVESTMENTS : (contd.)		
Non-trade investments (valued at cost unless stated otherwise) (unquoted)		
Government securities:		
National Highways Authority Of India	**50.00**	75.00
500 (March 31, 2012 - 750) bonds of ₹.10,000 each fully paid up		
Rural Electrification Corporation Limited	**50.00**	75.00
500 (March 31, 2012 - 750) bonds of ₹.10,000 each fully paid up		
Investment in equity instruments		
Investment in subsidiaries		
Aegean Properties Ltd.	**30.00**	30.00
30,000 (March 31, 2012-30,000) Equity shares of ₹.100 each		
Fermenta Biotech Ltd.	**1,709.25**	1,709.25
1,27,62,464 (March 31, 2012-1,27,62,464) Equity shares of ₹.10 each		
CC Square Films Limited	**5.00**	5.00
50,000 (March 31, 2012-50,000) Equity shares of ₹.10 each.		
Investment in associates		
Health and Wellness India Private Limited	**475.00**	475.00
30,12,504 (March 31, 2012 - 30,12,504) Equity shares of ₹.10 each fully paid-up		
Zela Wellness India Private Limited		
19,600 (March 31, 2012 - Nil) Equity shares of ₹.10 each fully paid-up	**50.00**	–
Investment in joint ventures (Refer Note 29)*		
VasKo Glider s.r.o	**188.51**	188.51
Other Investment		
Allegro Capital Private Limited - Certificate of Investment	**325.00**	325.00
Subscription application money		
Zela Wellness India Private Limited	**–**	50.00
Noble Explochem Ltd	**307.85**	100.50
	3,196.52	3,039.17
Less: Provision for diminution in value of investments (Refer Note 29)*	**194.41**	194.41
	3,002.11	2,844.76

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 12 - NON-CURRENT INVESTMENTS : (contd.)		
Aggregate amount of quoted investments (Market value: ₹.1.87 Lakhs (March 31, 2012 - ₹.2.11 Lakhs))	**0.01**	0.01
Aggregate amount of unquoted investments	**3,002.10**	2,844.75
Aggregate provision for diminution in value of investments	**194.41**	194.41

Note

During the previous year, the Company has completed transaction based on Share Purchase Agreement dated September 28, 2011 executed with Evotec AG and transferred 1,09,26,000 fully paid up equity shares of ₹. 2/- each i.e. 30% of the paid up equity share capital of Evotec (India) Pvt. Ltd. for a total consideration of ₹. 1,129.33 Lakhs resulting in a gain of ₹. 910.81 Lakhs.

	Non current		Current	
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 13 - LOANS AND ADVANCES				
Capital advances				
Unsecured, considered good	**563.55**	24.56	–	–
Security deposits				
Unsecured, considered good	**56.26**	53.63	–	–
Loans to related parties (note 31) *				
Unsecured, considered good	**228.00**	–	**332.50**	257.50
Advances recoverable in cash or kind				
Unsecured considered good	**6.77**	9.44	**341.86**	314.92
Doubtful	**19.01**	19.01	–	–
	25.78	28.45	**341.86**	314.92
Provision for doubtful advances	**19.01**	19.01	–	–
	6.77	9.44	**341.86**	314.92
Other loans and advances (unsecured)				
Inter corporate deposit	–	–	**50.00**	300.00
Advance income-tax (net of provision for taxation)	–	–	**65.93**	–
Prepaid expenses	–	–	**6.18**	7.25
Loans to employees **	**49.37**	55.47	**10.87**	4.10
	49.37	55.47	**132.98**	311.35
	903.95	143.10	**807.34**	883.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 13 - LOANS AND ADVANCES (contd.)				
Loans to related parties include*				
Fermenta Biotech Ltd.	–	–	**332.50**	157.50
[Maximum amount outstanding during the year ₹.357.50 Lakhs (March 31, 2012 - ₹.257.50Lakhs)]				
Health and Wellness India Private Limited	**228.00**	–	–	100.00
[Maximum amount outstanding during the year ₹.228.00 Lakhs (March 31, 2012 - ₹.100.00 Lakhs)]				
Zela Wellness India Private Limited	–	–	–	–
[Maximum amount outstanding during the year ₹.40.00 Lakhs (March 31, 2012 - ₹.Nil)]				
Loans and advances due by directors or other officers, etc. **				
Dues from officers	–	1.60	**1.60**	1.60

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS				
14.1. Trade receivables				
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	–	–	–	–
Considered doubtful	–	–	**6.47**	5.97
	–	–	**6.47**	5.97
Less: Provision for doubtful debts	–	–	**5.97**	5.97
	–	–	**0.50**	–
Other receivables				
Considered good	–	–	**56.41**	25.88
	–	–	**56.91**	25.88

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS (contd.)				
14.2. Other current assets				
Unsecured, considered good unless stated otherwise				
Interest accrued	**24.29**	–	**170.34**	242.26
[Interest accrued includes ₹.5.25 Lakhs (March 31, 2012- ₹.6.57 Lakhs) from Government Bonds]				
	24.29	–	**170.34**	242.26

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 15 - CURRENT INVESTMENTS		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
UnQuoted		
DWS Ultra Short Term Fund Nil (March 31, 2012 - 2,76,936.361) units of ₹.10 each	–	27.94
Kotak Quarterly Interval Plan Series 9 20,49,986.827 (March 31, 2012 - 20,49,986.827) units of ₹.10 each	**205.00**	205.00
Kotak Quarterly Interval Plan Series 1 - Dividend Nil (March 31, 2012 - 7,49,805.051) units of ₹.10 each	-	75.00
L&T Select Income Fund - Flexi Debt Institutional - Dividend Nil (March 31, 2012 - 13,91,332.100) units of ₹.10 each	-	141.60
LICMF Interval Fund - Quarterly Plan - Series 2 - Quarterly Dividend Plan Nil (March 31, 2012 - 12,09,830.624) units of ₹.10 each	-	121.00
Sundaram Interval Fund Qtly- Plan E - Inst Div - Payout Nil (March 31, 2012 - 12,00,000) units of ₹.10 each	-	120.00
Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment Nil (March 31, 2012 - 10,431.489) units of ₹.1,000 each	-	114.83
	205.00	805.37
Aggregate amount of quoted investments (Market value ₹.Nil (March 31, 2012: ₹.Nil))	–	–
Aggregate amount of unquoted investments	**205.00**	805.37
Aggregate provision for diminution in value of investments	–	–

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 16. INVENTORIES (valued at lower of cost and net realizable value)		
Work-in-progress - Motion film production	**45.06**	45.06
	45.06	45.06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 17. CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
With scheduled banks on:				
Current account	–	–	**168.78**	83.97
Unclaimed dividend account	–	–	**24.78**	18.77
With non-scheduled bank :				
Ceskoslovenska obchodini banka, a.s. Czech Republic- on current account	–	–	**7.88**	15.31
Cash on hand	–	–	**1.67**	4.61
	–	–	**203.11**	122.66
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	–	–	**3,088.86**	4,217.86
	–	–	**3,088.86**	4,217.86
	–	–	**3,291.97**	4,340.52

		March 31, 2013		March 31, 2012
		₹. in Lakhs		₹. in Lakhs
NOTE 18 - REVENUE FROM OPERATIONS				
Rent (tax deducted at source ₹.124.51 Lakhs, March 31, 2012 - ₹.125.74Lakhs)		**1,268.78**		1,236.62
Service income (Infrastructure support service to tenant)		**28.16**		31.04
Sale of script		**1.85**		
Profit on sale/redemption of current investments - other than trade	**12.22**		119.45	
Less: Loss on sale/redemption of current investments - other than trade	**–**	**12.22**	6.04	113.41
Dividend Income from investments:				
Current - other than trade		**36.46**		162.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs		March 31, 2012 ₹. in Lakhs	
NOTE 18 - REVENUE FROM OPERATIONS (contd.)				
Interest income on:				
Inter-corporate deposits	**50.12**		51.14	
Bank deposits	**365.40**		218.62	
Loans to subsidiary	**26.81**		18.38	
Security deposits and others	**3.78**		1.31	
Bonds	**8.09**	**454.20**	7.33	296.78
[tax deducted at source ₹.41.33 Lakhs, (March 31, 2012 - ₹.9.14 Lakhs)]				
		1,801.67		1,840.29

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 19.1 - OTHER INCOME:		
Profit on sale/disposal of fixed assets (net)	**1.34**	–
Miscellaneous Income	**3.35**	0.90
	4.69	0.90
NOTE 19.2 - INTEREST INCOME:		
Interest on income-tax refunds	**–**	11.40
	–	11.40

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 20 - COST OF PRODUCTION OF MOVIE: (Refer note 2.1(e))		
Inventories at the beginning of the year	**–**	–
Add: Cost of production of movie	**–**	45.06
	–	45.06
Less: Inventories at the end of the year	**–**	–
	–	45.06
Details of cost of production of movie		
Film rights	**–**	30.60
Professional fees and expenses	**–**	14.46
	–	45.06

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 21 - CHANGES IN INVENTORIES OF WORK-IN-PROGRESS:		
Inventories at the end of the year		
Work-in-process - cost of production of movie	**45.06**	45.06
	45.06	45.06
Inventories at the beginning of the year		
Work-in-process - cost of production of movie	**45.06**	–
	–	(45.06)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 22 - EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus	**308.12**	305.79
Contribution to provident and other fund	**21.07**	18.45
Gratuity expense (refer note 27)	**2.66**	(9.19)
Employee welfare expenses	**15.37**	16.34
	347.22	331.39
NOTE 23 - OTHER EXPENSES:		
Power and fuel	**31.61**	22.79
Water	**7.69**	8.10
Rates and taxes	**5.93**	6.92
Rent	**42.18**	25.37
Insurance	**9.66**	9.93
Repairs and maintenance:		
Plant and machinery	**27.81**	23.36
Buildings	**28.15**	24.84
Others	**133.07**	53.32
Advertising and sales promotion expenses	**7.24**	10.63
Travelling and conveyance	**25.43**	23.51
Legal and professional charges	**114.14**	90.56
Payment to auditors (refer note below)	**15.22**	14.27
Exchange loss (net)	**0.71**	1.00
Communication costs	**11.63**	14.31
Donation	**2.60**	0.19
Directors' sitting fees	**6.30**	6.35
Printing and stationery	**5.80**	5.48
Staff recruitment expenses	**0.65**	0.13
Loss on sale of fixed assets (net)	**–**	10.47
Loss on deletion of fixed assets	**3.52**	2.30
Miscellaneous expenses	**69.07**	58.94
	** **548.41**	** 412.77

** net of recovery of ₹.43.56 Lakhs (March 31, 2012 - ₹.43.34 Lakhs) from subsidiary companies.

	March 31, 2013	March 31, 2012
Payment to auditors'		
As auditor		
Audit fee	**6.00**	5.75
Tax audit fee	**1.40** *	1.95 *
Limited review	**6.00**	5.25
In other capacity in respect of:		
Other services (certification fees)	**1.25**	0.30
Reimbursement of expenses	**0.57** *	1.02 *
	15.22	14.27

* includes amount payable to another auditor

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 24 - DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	**222.44**	168.41
Amortization of intangible assets	**2.60**	2.57
	225.04	170.98

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 25 - FINANCE COST:		
Interest on term loans	**6.92**	7.45
Interest on others	**14.49**	–
	21.41	7.45

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 26 - EARNINGS PER SHARE (EPS):		
Profit after tax	**534.02**	1,468.11
	No. in Lakhs	No. in Lakhs
Weighted average number of equity shares in calculating basic EPS	**22.93**	22.93
Earnings per share (₹.Per share):	**23.29**	64.02

NOTE 27 - EMPLOYEE BENEFITS:

The Company operates employee benefit plan namely i) defined contribution plan, which includes Provident fund and ii) defined benefit plan which includes contribution to gratuity fund (funded) and provision for long term compensated absence.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
a) Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 22 for the year are as under:		
- Provident fund	**21.07**	18.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
		Gratuity (Funded)	
NOTE 27 - EMPLOYEE BENEFITS: (contd.)			
b)	**Defined Benefit Plan**		
	Gratuity - As per actuarial valuation		
i)	Changes in the present value of the defined benefit obligation		
	Opening	**28.56**	38.18
	Interest cost	**2.36**	3.07
	Current service cost	**2.96**	2.75
	Benefits paid	**–**	(0.13)
	Actuarial (gains) / losses on obligation	**2.62**	(15.31)
	Closing	**36.50**	28.56
ii)	Changes in fair value of plan assets		
	Opening	**39.87**	36.76
	Expected return on plan assets	**3.30**	3.36
	Actuarial (gains) / losses on obligation	**0.35**	(1.79)
	Employer's contribution	**–**	1.67
	Benefits paid	**–**	(0.13)
	Closing	**43.52**	39.87
iii)	Amounts recognised in balance sheet		
	Present value of defined benefit obligation	**36.50**	28.56
	Fair value of plan assets	**43.52**	39.87
	Amount not recognised as assets	**(0.25)**	(1.87)
	Net Asset (liability) recognised in balance sheet	**6.77**	9.44
iv)	Amounts recognised in profit and loss account		
	Current service cost	**2.96**	2.75
	Interest cost	**2.36**	3.07
	Expected return on plan assets	**(3.30)**	(3.36)
	Net actuarial (gain) /loss recognised	**2.27**	(13.52)
	Amount not recognised as Assets	**(1.63)**	1.87
	Total expense	**2.66**	(9.19)
v)	Actual return on plan assets	**3.65**	1.57

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 27 - EMPLOYEE BENEFITS: (contd.)

b) Defined Benefit Plan (contd.)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
	Gratuity (Funded)	
vi) Principal assumptions used in actuarial valuation		
Discount rate	**8.10%**	8.50%
Expected return on plan assets	**9.15%**	9.15%
Salary escalation rate	**10%**	10%
Employee turnover	**21 to 30 - 7%**	21 to 30 - 7%
	31 to 40 - 4%	31 to 40 - 4%
	41 & above - 0.33%	41 to 59 - 0.33%
vii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Investments with insurer	**100%**	100%

	Gratuity (Funded)				
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2011 ₹. in Lakhs	March 31, 2010 ₹. in Lakhs	March 31, 2009 ₹. in Lakhs
viii) Amounts for the current and previous four periods					
Defined benefit obligation	**36.50**	28.56	38.18	53.14	49.51
Plan assets	**43.52**	39.87	36.76	53.92	29.25
Surplus/(deficit)	**7.02**	11.31	(1.42)	0.78	(20.26)
Experience adjustments on plan liabilities	**1.38**	(12.55)	5.52	8.84	9.85
Experience adjustments on plan assets	**0.35**	(1.79)	0.26	0.68	0.76

ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.

b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.

c) The estimates of rate escalation in salary considered in the actuarial valuation take in to account inflation, seniority promotion and other relevant factors including supply demand in the employment market.

d) The Company is expected to contribute to the Gratuity fund during 2013-14 ₹.Nil (March 31, 2012 ₹.Nil during 2012-13)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 28 - LEASES:		
Assets taken on operating lease		
During the year the Company has entered into arrangements for taking on leave and license basis certain residential and office premises. The agreement has cancellable and 7.50% - 10% escalation clause and is not renewable.		
1. Lease payments recognised in the statement of profit and loss for the year.	**40.78**	24.16
Assets given on operating lease		
The Company has entered into operating lease agreements for its properties in Thane and Worli, Mumbai with original lease periods expiring between 2010 and 2014. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5%.		
1. Rent income recognised in the statement of profit and loss for the year.	**1,268.78**	1,236.62
(includes rentals on sub-lease of ₹.381.85 lakhs (March 31, 2012 ₹.362.94 lakhs) which will expire with no renewable terms on August 31, 2014)		
2 Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	**337.75**	417.31
ii) Later than one year and not later than five years	**757.32**	1,095.07
iii) More than five years	–	–

NOTE 29 - INTEREST IN JOINT VENTURE: (Refer Note 12)

Company has invested an aggregate of Rs. 188.51 Lakhs in VasKo Glider s.r.o. Czechoslovakia, a joint venture. Out of the above, ₹.1.96 Lakhs (Czech Koruna 1 Lakh) is towards basic capital and ₹.186.55 Lakhs (Czech Koruna 95.24 Lakhs) is towards voluntary additional contribution to capital. VasKo Glider is involved in manufacture of wheelchairs based on Levitation Movement Technology, acquired from the joint venture partner under the technology transfer agreement with effect from March 18, 2005 and the patent of which is registered in Czechoslovakia in the name of the joint venture partner. The joint venture partner has applied for registration of patent in various countries and the same has been registered in USA, India and Australia.

The proportionate share in the assets, liabilities, income and expenditure of the above joint venture is based on accounts prepared as per local laws as amended and issued by the Ministry of Finance of the Czech Republic, governing financial statement for business and translated by the Management as per Indian GAAP, is as follows:-

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
Percentage of holding	**50%**	50%
Assets	**20.64**	27.74
Liabilities	**0.86**	0.01
Income	**–**	0.11
Expenditure	**7.31**	3.98
Capital Commitment	–	–
Contingent liabilities	–	–

In view of the accumulated losses of Joint Venture there is substantial erosion in the value of investment and accordingly, provision for diminution of Rs.188.51 lakhs has been made in the earlier year. (Refer Note 12.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 30 - SEGMENT INFORMATION

A) **Primary Segments - Business Segments**

The primary reporting of the Company has been performed on the basis of business segment namely:

Property - Renting of properties

Treasury - Investment in shares, securities and mutual funds

Entertainment - Production and distribution of motion films, providing services for event management and film production.

Segments have been identified and reported based on the nature of the services, the risk and returns, the organisation structure and the internal financial reporting systems.

₹. in Lakhs

	Property	Treasury	Entertainment	Total
	2012-2013			
	2011-2012			
a. Revenue				
1. Segment revenue - External sales / income from operations	**1,303.02**	**499.09**	**1.85**	**1,803.96**
	1,267.66	*1,482.14*	–	*2,749.80*
Unallocated revenue				**2.40**
				13.60
2. Total				**1,806.36**
				2,763.40
b. Result				
1. Segment result / operating profit / (loss)	**878.83**	**499.09**	**(83.08)**	**1,294.84**
	1,023.83	*1,470.36*	*(73.56)*	*2,420.63*
2 Finance Costs				**21.41**
				7.45
3 Unallocable income/(expenditure) (net)				**(609.15)**
				(572.37)
4 Profit before tax				**664.28**
				1,840.81
5 Provision for tax				
- current tax				**127.32**
				380.50
- deferred tax				**2.94**
				(7.80)
6 Profit after tax				**534.02**
				1,468.11
c. Other information				
1. Segment assets	**2,791.81**	**7,101.09**	**362.06**	**10,254.96**
	1,635.25	*8,668.35*	*338.14*	*10,641.74*
2 Unallocated corporate assets				**492.48**
				380.34
3. Total assets				**10,747.44**
				11,022.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 30 - SEGMENT INFORMATION (contd.):

₹. in Lakhs

	2012-2013			
	2011-2012			
	Property	Treasury	Entertainment	Total
4. Segment liabilities	**680.05**	**0.08**	**226.92**	**907.05**
	661.28	*0.08*	*226.86*	*888.22*
5. Unallocated corporate liabilities				**402.37**
				628.86
6. Total liabilities				**1,309.42**
				1,517.08
7. Cost incurred during the year to acquire				
-segment tangible assets	**766.51**		**0.93**	**767.44**
	562.77		*30.74*	*593.51*
-unallocated segment tangible assets				**10.23**
				15.13
8. Depreciation and amortization expense	**181.03**		**5.10**	**186.13**
	125.44		*3.88*	*129.32*
9 Unallocated depreciation				**38.91**
				41.66

(Figures in italics are the corresponding figures in respect of the previous year.)

B) Secondary Segments

The Company has revenue / assets in India and accordingly, there is only one reportable geographical segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES

a. **Parties where control exists**

Mr. Krishna Datla - Managing Director, Party controlling holding company.

Holding company

DVK Investments Private Ltd

Subsidiaries

1. Aegean Properties Ltd.
2. CC Square Films Limited
3. Fermenta Biotech Ltd.
4. Fermenta Biotech (UK) Ltd. (100% subsidiary of Fermenta Biotech Ltd.)
5. G. I. Biotech Private Ltd. (62.50% subsidiary of Fermenta Biotech Ltd.) *

b. **Other related party relationships where transactions have taken place during the year**

Fellow Subsidiary

VM Café de Art Private Ltd.

Key Management Personnel

1. Mr. Krishna Datla - Managing Director

c. **Joint Venture**

VasKo Glider s.r.o. *

d. **Associates**

1. Evotec (India) Private Ltd. (upto September 30, 2011)
2. Health and Wellness India Private Ltd
3. Zela Wellness India Private Limited (w.e.f. March 14, 2012)

e. **Enterprises owned or significantly influenced by key management personnel or their relatives**

Magnolia FNB Private Limited

f. **Related party relationship is identified by the Company on the basis of available information.**

g. **Transactions with related parties.**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹. in Lakhs)

	Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture *	Key Manage-ment Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
1	Loans and advances given						
	- Fermenta Biotech Ltd.		**200.00** (100.00)				
	- Health and Wellness India Private Ltd.						**128.00** (–)
	- Zela Wellness India Private Limited						**40.00** (–)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

	Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture *	Key Manage-ment Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
2	Loans recovered						
	- Fermenta Biotech Ltd.		**25.00** (100.00)				
	- Aegean Properties Ltd.		**–** (3.00)				
	- Zela Wellness India Private Limited						**40.00** (–)
3	Interest on loan						
	- Fermenta Biotech Ltd.		**26.81** (18.38)				
	- Health and Wellness India Private Ltd.						**24.29** (15.05)
4	Remuneration						
	- Mr. Krishna Datla				**41.72** (41.74)		
5	Rent income						
	- Aegean Properties Ltd.		**1.29** (1.22)				
	- DVK Investments Private Ltd.	**1.29** (1.22)					
	- Fermenta Biotech Ltd.		**112.71** (120.17)				
	- Evotec (India) Private Ltd						**–** (124.10)
	- VM Café de Art Private Ltd.			**–** (1.22)			
	- CC Square Films Limited.		**1.20** (1.47)				
	- Magnolia FNB Private Limited.					**1.20** (0.65)	
6	Rent paid						
	- Aegean Properties Ltd.		**18.00** (18.00)				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

	Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture *	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
7	Other reimbursements paid						
	- Fermenta Biotech Ltd.		**4.52** (1.60)				
	- Aegean Properties Ltd.		**13.30** (12.75)				
8	Other reimbursements received						
	- Aegean Properties Ltd.		– (0.62)				
	- Fermenta Biotech Ltd.		**43.56** (46.16)				
	- Evotec (India) Private Ltd						– (77.93)
9.	Service income received						
	- Evotec (India) Private Ltd						– (15.02)
10.	Investment in equity share capital						
	- Health and Wellness India Private Ltd.						– (250.00)
	- Zela Wellness India Private Limited						**50.00** (–)
11	Balance outstanding as at the year end						
	i. Other current liabilities						
	- Fermenta Biotech Ltd.		**0.42** (0.19)				
	ii. Other receivables						
	- Fermenta Biotech Ltd.		**41.57** (3.79)				
	- G.I.Biotech Private Ltd.		**1.25** (1.25)				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture *	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
iii. Provision for doubtful debts						
- G.I.Biotech Private Ltd.		**1.25** (1.25)				
iv. Provision for diminution in value of investments*			**188.51 *** (188.51) *			
v. Loans						
- Health and Wellness India Private Ltd.						**228.00** (100.00)
- Fermenta Biotech Ltd.		**332.50** (157.50)				
vi. Interest accrued						
- Fermenta Biotech Ltd.		**17.29** (2.83)				
- Health and Wellness India Private Ltd.						**24.29** (20.10)

(Figures in brackets are the corresponding figures in respect of the previous year.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES (contd.):

h. **Additional disclosure as required by the amended clause 32 of the listing agreement with The Bombay Stock Exchange Limited**

	Name	Balance as at		Maximum amount outstanding during the year ended	
		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
1.	Loans to subsidiaries / associate				
	- Aegean Properties Ltd.	**–**	–	–	3.00
	- Fermenta Biotech Ltd.	**332.50**	157.50	**357.50**	257.50
	- Health and Wellness India Private Ltd.	**228.00**	100.00	**228.00**	100.00
	- Zela Wellness India Private Limited	**–**	–	**40.00**	–
2.	Loans and where there is no repayment schedule and is interest-free (included above)				
	- Aegean Properties Ltd.	**–**	–	**–**	3.00
	- Zela Wellness India Private Limited	**–**	–	**40.00**	–
3.	Loans to firms/companies in which directors are interested				
	Loans given during the year				
	- Fermenta Biotech Ltd.	**–**	–	**200.00**	100.00
	- Health and Wellness India Private Ltd.	**–**	–	**128.00**	–
	Loans outstanding at the year end				
	- Aegean Properties Ltd.	**–**	–	–	3.00
	- Fermenta Biotech Ltd.	**332.50**	157.50	**357.50**	257.50
	- Health and Wellness India Private Ltd.	**228.00**	100.00	**228.00**	100.00

NOTE 32 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
Estimated amount of contracts remaining to be executed on capital account.	**3,871.14**	696.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 33 - CONTINGENT LIABILITIES:

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
Contingent liabilities not probable and hence not provided by the Company in respect of;		
Tax matters		
- Service tax - matter under appeal	**15.00**	15.00
- Sales tax - matter under appeal	**4.63**	4.63
	19.63	19.63

NOTE 34 - UN-HEDGED FOREIGN CURRENCY EXPOSURE:

	March 31, 2013		March 31, 2012	
Particulars	**Foreign Currency in Lakhs**	**₹. in Lakhs**	Foreign Currency in Lakhs	₹. in Lakhs
a) Cash and bank balance	**Kc 2.89**	**7.88**	Kc 5.46	15.31
	–	–	EURO 0.00472	0.33
b) Trade payable	**EURO 3,414.19**	**2.39**	–	–
	–	–	–	–

NOTE 35 - EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS):

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
Travelling	**–**	1.60
Legal fees	**8.01**	5.75
Remittances to branch office	**48.85**	51.42
	56.86	58.77

NOTE 36 - Previous year figures have been regrouped wherever neessary

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 29, 2013

Independent Auditor's Report

To

The Board of Directors of DIL Limited

We have audited the accompanying consolidated financial statements of DIL Limited ("the Company") and its subsidiaries (collectively referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of Rs. 232.23 lakhs as at March 31, 2013, total revenues of Rs. (0.12) lakhs and net cash inflows amounting to Rs. 6.12 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries and total losses of Rs. 197.08 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of two associates, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

We did not audit Group's share of total assets of Rs. 20.64 lakhs as at March 31, 2013, total revenues of Rs. Nil and net cash outflows amounting to Rs. 7.23 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of a joint venture, whose financial statements and other financial information have not been audited by other auditor and have been considered in the consolidated financial statements based solely on the unaudited separate financial statements certified by the management. Our opinion is not qualified in respect of this matter.

For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number 101049W

per Vikram Mehta
Partner
Membership No.: 105938

Place : Mumbai
Date : May 29, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Notes	**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	**229.32**	229.32
Reserves and surplus	4	**12,518.56**	12,704.28
		12,747.88	12,933.60
Minority interest		**2,004.31**	1,974.30
Non-current liabilities			
Long-term borrowings	5	**1,526.62**	1,964.91
Deferred tax liability (net)	6	**184.40**	24.60
Other long-term liabilities	7	**77.27**	77.27
Long-term provisions	8	**182.00**	174.77
		1,970.29	2,241.55
Current liabilities			
Short-term borrowings	9	**2,154.07**	1,259.27
Trade payables	10	**1,493.14**	1,589.28
Other current liabilities	10	**1,963.89**	1,128.24
Short-term provisions	8	**235.66**	504.46
		5,846.76	4,481.25
TOTAL		**22,569.24**	21,630.70
ASSETS			
Non-current assets			
Goodwill		**534.33**	534.33
Less: Impairment		**(121.00)**	(121.00)
Goodwill (net of impairment)		**413.33**	413.33
Fixed assets			
Tangible assets	11	**8,898.01**	6,682.57
Intangible assets	12	**102.83**	204.16
Capital work-in-progress		**1,299.40**	1,070.69
Intangible assets under development		**236.88**	193.45
		10,537.12	8,150.87
Non -current investments	13	**928.77**	968.49
Long-term loans and advances	14	**997.60**	514.20
Other non-current assets	15.2	**26.79**	8.43
		1,953.16	1,491.12
Current assets			
Current investments	16	**205.00**	805.37
Inventories	17	**2,513.07**	2,152.54
Trade receivables	15.1	**2,528.65**	2,337.12
Cash and bank balances	18	**3,452.19**	5,009.25
Short-term loans and advances	14	**753.88**	1,031.67
Other current assets	15.2	**212.84**	239.43
		9,665.63	11,575.38
TOTAL		**22,569.24**	21,630.70
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 29, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
INCOME			
Revenue from operations	19.1	**10,249.82**	10,314.27
Less: Excise duty		**259.94**	182.98
		9,989.88	10,131.29
Other operating income	19.2	**1,677.91**	1,754.59
Profit on sale of investment of associate - long term - other than trade (Refer Note 13 (a))		**–**	1,069.25
Other income	20.1	**166.71**	346.24
Total revenue (I)		**11,834.50**	13,301.37
EXPENSES			
Cost of raw material and components consumed	21.1	**4,226.70**	3,849.64
Cost of production of motion film (Refer note 2.1 (e))	21.2	**–**	45.06
Purchase of traded goods		**121.50**	104.03
(Increase) in Inventories	22	**(276.21)**	(206.44)
Employee benefits expense	23	**2,072.20**	1,820.38
Other expenses	24	**3,243.85**	3,201.75
Total (II)		**9,388.04**	8,814.42
Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)		**2,446.46**	4,486.95
Depreciation and amortization expense [Refer note 2.1 (d)]	25	**939.56**	776.07
Interest income	20.2	**(5.04)**	(13.03)
Finance costs	26	**501.79**	387.47
Profit before tax		**1,010.15**	3,336.44
Tax expense:			
Current tax		**207.35**	650.39
Additional tax related to earlier periods		–	0.35
Deferred tax (credit)/charge		**159.80**	(10.21)
Total tax expense		**367.15**	640.53
Profit after tax		**643.00**	2,695.91
Share of minority interest in (profit) / loss		**(30.01)**	(297.53)
Share of interest in profit/(loss) of associates (Refer Note 13(b))		**(197.08)**	(172.65)
Profit for the year		**415.91**	2,225.73
Earnings per equity share [nominal value of share ₹.10/-]	27		
Basic / Diluted (₹.in Lakhs)		**18.14**	97.06
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 29, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**1010.15**	3,336.44
Non-cash adjustment to reconcile profit before tax to net cash flows :			
Depreciation		**939.56**	776.07
Loss on sale of fixed assets (net)		**3.78**	18.73
Loss on deletion of assets		**3.52**	2.30
Unrealised foreign exchange (gain)/loss (net)		**(3.36)**	(98.48)
Profit on sale of equity shares		**–**	(1,069.25)
Interest expenses		**501.79**	387.59
Operating profit before working capital changes		**2,455.44**	3,353.40
Movements in working capital :			
Increase/(decrease) in trade payables		**(480.24)**	817.25
Increase/(decrease) in long-term provisions		**7.23**	23.81
Increase/(decrease) in short-term provisions		**(16.55)**	3.89
Increase/(decrease) in other current liabilities		**678.57**	75.00
Increase/(decrease) in other long-term liabilities		**–**	(60.16)
Decrease/(increase) in trade receivables		**(176.41)**	(551.93)
Decrease/(increase) in inventories		**(360.53)**	(1,090.07)
Decrease/(increase) in long-term loans and advances		**(238.85)**	(57.48)
Decrease/(increase) in short-term loans and advances		**366.73**	(72.77)
(Increase)/decrease in other current assets		**26.59**	(145.80)
(Increase)/decrease in other non-current assets		**(18.36)**	(6.29)
(Increase)/decrease in current investments		**600.37**	2,823.08
(Increase)/decrease in non-current investments		**(157.36)**	(760.50)
(Increase)/decrease in miscellaneous expenses		**–**	0.59
Cash generation from operations		**2,686.63**	4,352.02
Direct taxes paid (net of refunds)		**(349.98)**	(403.14)
Net cash flow from/ (used in) operating activities	(A)	**2,336.65**	3,948.88
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including CWIP and capital advances		**(3,147.82)**	(3,185.02)
Proceeds from sale of fixed assets		**10.13**	34.67
Sale of investments in subsidiary		**–**	1,129.33
Investments in bank deposits (having original maturity of more than three months)		**(3,088.86)**	(4,217.86)
Redemption/maturity of bank deposits (having original maturity of more than three months)		**4,217.86**	1,191.06
Net cash flow from/ (used in) investing activities	(B)	**(2,008.69)**	(5,047.82)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

CASH FLOW STATEMENT (Contd.)

PARTICULARS		**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings		**301.99**	1,228.75
Repayment of long-term borrowings		**(589.21)**	(159.94)
Proceeds from short-term borrowings		**894.80**	703.33
Interest paid		**(569.79)**	(437.15)
Dividend paid on equity shares		**(681.95)**	(567.98)
Tax on equity dividend paid		**(111.60)**	(93.00)
Net cash flow from/ (used in) in financing activities	(C)	**(755.76)**	674.01
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(427.80)**	(424.93)
Add: Effect of exchange difference on cash and equivalents held in foreign currency		**(0.26)**	0.57
Cash and cash equivalents at the beginning of the year		**791.39**	1,215.75
Cash and cash equivalents at the end of the year		**363.33**	791.39
Components of cash and cash equivalents			
Cash on hand		**4.44**	7.63
With scheduled banks on:			
Current account		**285.76**	369.56
Deposits with original maturity of less than three months		**0.03**	331.15
Unclaimed dividend account*		**24.78**	18.77
With non-scheduled bank:			
Ceskoslovenska obchodini banka, a.s. Czech Republic- on current account		**48.32**	64.28
Less Effect of exchange difference on cash and equivalents held in foreign currency			
Total cash and cash equivalents (note 18)		**363.33**	791.39

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI
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Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 29, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. a) **Corporate information**

DIL Limited ('DIL' or 'the Company') together with its subsidiaries Fermenta Biotech Limited ('FBL'), Fermenta Biotech (UK) Limited ('FBLUK'), Aegean Properties Limited ('APL'), G.I. Biotech Private Limited ('GI BIO'), CC Square Films Limited (CCSL) collectively referred to as 'the Group', is in the business of manufacturing and selling of chemicals primarily bulk drugs and enzymes, renting property, entertainment and utilisation of surplus funds for its treasury operations. The Company's Joint Venture, VasKo Glider s.r.o.Czechoslovakia is in the business of development and manufacture of wheelchairs.

The Company has been holding 1,27,62,464 equity shares (70.15%) of FBL at the beginning of the year.

The Company also has been holding 30,000 Equity shares of APL at the beginning of the year.

The Company has been holding 30,12,504 equity shares (47.15%) of Rs. 10 each of Health and Wellness India Pvt. Ltd (HWIPL) Bangalore at the beginning of the year. HWIPL is the business of providing services on sporting activities, health awareness and health education. Accordingly the Company's interest in HWIPL has been accounted as " Interest in Associate Company" in the consolidated financial statements.

During the year the Company has received 19,600 equity shares of Rs. 10 each of Zela Wellness India Pvt. Ltd (ZWIPL) Bangalore out of share subscription money paid by the Company in the previous year. ZWIPL is the business of providing services on sporting activities, health awareness and health education. With the aforesaid investment Company holds 49.00 % Equity Capital of ZWIPL. Accordingly the Company's interest in ZWIPL has been accounted as " Interest in Associate Company" in the consolidated financial statements.

In accordance with notified Accounting Standard (AS) 27 "Financial reporting of interest in joint venture" the operations of majority owned joint venture are proportionately consolidated.

b) The proportionate share in the assets, liabilities, income and expenditure of Vasko Glider a Joint Venture of the Company, based on accounts certified by the management is as follows:-

		31-Mar-13	31-Mar-12
		₹. in Lakhs	₹. in Lakhs
i)	Percentage of holding	**50%**	50%
ii)	Assets	**20.64**	27.74
iii)	Liabilities	**0.86**	0.01
iv)	Income	**–**	0.11
v)	Expenditure	**7.31**	3.98
vi)	Capital commitment	–	–
vii)	Contingent liabilities	–	–

c) The Financial statements of the associates and joint venture used in the consolidation are drawn upto the same reporting date as of the Company. The Joint venture's financial statement have been consolidated on the basis of unaudited financial statement prepared and certified by the management.

The financial statements of the group have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standard) Rules, 2006 (as amended) 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 for which provision of impairment is made. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

d) Basis of consolidation

These consolidated financial statements include the financial statements of DIL Limited, its subsidiaries and proportionate share in joint venture as at March 31, 2013.

The following subsidiaries, associates and joint venture have been considered:

Name of the subsidiaries	**Country of Incorporation**	**2012-13 % shareholding**	2011-12 % shareholding
Fermenta Biotech Limited *	India	**72.09%**	72.09%
Fermenta Biotech (UK) Limited (100% subsidiary of FBL)	United Kingdom	**72.09%**	72.09%
G.I. Biotech Private Limited (62.50 %Subsidiary of FBL)	India	**45.06%**	45.06%
Aegean Properties Limited	India	**100.00%**	100.00%
CC Square Films Limited	India	**100.00%**	100.00%
Name of the associates			
Health and Wellness India Private Ltd	India	**47.15%**	47.15%
Zela Wellness Private Limited	India	**49.00%**	–
Name of the joint venture			
VasKo Glider s.r.o.	Czech Republic	**50.00%**	50.00%

* excludes shares issued to ESOP Trust but not allotted to employee as per guidance note on Accounting for Employee Share based payments issued by the Institute of Chartered Accountants of India.

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard - 21 'Consolidated Financial Statements' ('AS - 21'), Accounting Standard - 23 ' Accounting for investment in Associates in 'Consolidated Financial Statements' ('AS - 23') and Accounting Standard - 27 'Financial Reporting of Interest in Joint Ventures' ('AS- 27') as per Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 for the purpose of preparation and presentation of financial statements.

The financial statements of the Group have been combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full for subsidiaries. The 50% share in assets, liabilities, income and expenses as appearing in the financial statements of joint venture have been combined on line-by-line basis after eliminating intra-group balances/transactions and resulting unrealised profits on proportionate basis. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase / (decrease) in the relevant reserve, accumulated deficit of its subsidiaries.

Share of minority interest is adjusted against the profit to arrive at the net profit attributable to shareholders. Minority interest in share of net assets is presented separately in the balance sheet.

The cost of investment in associates, over the net assets at the time of acquisition of the investment in the associates is recognised in the financial statements as goodwill or capital reserve, as the case may be. Goodwill is tested for impairment annually. The carrying amount of investment is adjusted thereafter in the post acquisition change in the group's share of net assets of the associates. The consolidated statement of profit and loss includes the group's share of results of the operations of the associates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements .

2.1 Summary of significant accounting policies

a) Presentation and disclosure of financial statements

The financial statements of the Company have been prepared and presented as per the revised Schedule VI notified under the Companies Act 1956.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used rates based on the following estimated useful life of the fixed assets

	Estimated useful life (in years)
Building	
On freehold land	3.25 - 58 (refer note below)
Leased improvements	9-30
Plant & Machinery	5-21
Computers	5-6
Furniture & Fixtures	5-6
Vehicles	8-11

Assets costing below ₹.5,000 are fully depreciated on installation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note: In the previous year the Company decided to amortise the net cost of the Thane building as on October 1, 2011 over the revised estimated useful life of 39 months beginning October 1, 2011. Consequently depreciation charge for the current year in respect of Thane building is ₹. 146.99 Lakhs (March 31, 2012 - ₹. 85.56 Lakhs). Had the Company continued the earlier useful life of 58 years as applicable to the building the depreciation charge would have been lower by ₹115.28 Lakhs. (March 31, 2012 ₹. 56.43 Lakhs) and the profit before tax would have been higher by the same amount.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

	Estimated useful life (in years)
Film rights (refer note below)	5
Computer software	3-6
Development cost	3-5

Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) its intention to complete the asset and use or sell it; (iii) its ability to use or sell the asset; (iv) how the asset will generate probable future economic benefits; (v) the availability of adequate resources to complete the development and to use or sell the asset; and (vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortised over their estimated useful lives of three to five years on a straight line basis.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5" *Net Profit or Loss for the Period", Prior Period Items and Changes in Accounting Policies.*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Note: During the previous year the Company has entered into an agreement for the joint development of remake of film rights. Accordingly the net cost of ₹. 15.70 Lakhs has been reclassified as cost of production. (Refer Note 21.2)

(f) Impairment of tangible and intangible asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of operations, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined as follows:

a) Stores and spare parts: - First-in-first-out method.

b) Raw materials and packing materials: - Cost is determined on a weighted average basis.

c) Intermediate raw materials, work-in-process and finished goods:- Cost includes direct materials determined on the basis of weighted average method and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

d) Inventory of under production film is valued at actual cost incurred. The cost of production is charged to revenue at the time of first release of film.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(i) Retirement and other employee benefit

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions to the provident fund and superannuation fund is charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund.

The Company operates two defined benefit plans for its employees viz. gratuity and long term compensated absences. Employees are entitled to benefits under the Payment of Gratuity Act 1972, a defined benefit plan. The plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment. The gratuity liability and net periodic gratuity cost is actuarially determined at the year end based on the projected unit credit method after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains/losses are immediately recorded to the statement of profit and loss and are not deferred. The Company makes contributions to a fund administered and managed by Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC administers the scheme.

Liability for long term compensated absences are provided for based on actuarial valuation done as per projected unit credit method at the year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Interest income on loans and deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Gain or loss on the sale of equity and redemption of mutual fund units are recognised on accrual.

Revenue from licensing of motion film is recognised in accordance with the licensing agreement or physical delivery of the motion film, whichever is later.

Interest on income tax refund is recognised on receipt of the refund order.

Income from services (Note 19.2) are recognised on proportionate basis as and when the services are

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

rendered, in accordance with the arrangement entered into as per contracted rates. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

(k) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange difference

All exchange differences are recognized as income or as expenses in the period in which they arise

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(l) Leases

As Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

As Lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, initial direct costs such as legal costs, brokerage costs, etc., are recognized as an expense in the statement of profit and loss.

m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

For recognition of deferred taxes, the timing differences which originate first are considered to reverse first. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date.

The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

The bulk drugs production facility of the Company’s subsidiary (FBL) in Kullu, Himachal Pradesh, is eligible for deduction of 100% of profits until March 31, 2008 and 30% of profits from April 1, 2008 to March 31, 2013, under section 80IB of the Income Tax Act, 1961. Secondly FBL’s bulk drug facility at Dahej, Gujarat, is eligible for deduction of 100% of profit until March 31, 2016 and 50% of the profits from April 1, 2016 to March 31, 2021, under section 10(AA) of the Income Tax Act. 1961. In view of such deduction, no asset has been recognized in respect of the Minimum Alternate Tax (MAT) credit available. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal tax under specified period.

(n) Provisions

A provision is recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(o) Contingent liabilities

Contingent assets are not recognized in the financial statements of the Company. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Segment Reporting

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs :

Common costs are treated as unallocable costs.

Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(s) Excise Duty

Excise duty on turnover is reduced from turnover. Excise duty relating to the difference between the opening stock and closing stock is recognised as income/expense as the case may be, separately in the statement of profit and loss.

(t) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(u) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from its operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 3 - SHARE CAPITAL:		
Authorised Shares:		
49,20,000 (March 31,2012 - 49,20,000) Equity shares of ₹.10/- each	**492.00**	492.00
80,000 (March 31,2012 - 80,000) Unclassified shares of ₹.10/- each	**8.00**	8.00
	500.00	500.00
Issued, subscribed and fully paid up shares:		
22,93,198 (March 31,2012 - 22,93,198) Equity shares of ₹.10/- each.	**229.32**	229.32
	229.32	229.32

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

There is no movement in the number of issued, subscribed and paid up equity shares at the beginning and at the end of the financial year.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹.22.50/- (March 31, 2012: ₹.30/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding Company are as below.

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31,2012-12,36,235) equity shares of ₹.10/- each fully paid	**123.62**	123.62

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

Name of the shareholder	**March 31, 2013**		March 31, 2012	
Equity shares of ₹.10/- each fully paid,	**No in Lakhs**	**% holding in the class**	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	**12.36**	**53.91%**	12.36	53.91%
Mr. Krishna Datla	**2.13**	**9.29%**	2.13	9.29%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 4 - RESERVES AND SURPLUS:			
Capital Reserve:			
Balance as per the last financial statements		**1,140.00**	1,184.27
Less: Change during the year		**–**	(44.27)
		1,140.00	1,140.00
Capital redemption reserve :			
Balance as per the last financial statements		**70.00**	70.00
Unrealised gain on dilution			
Balance as per the last financial statements		**950.41**	950.41
General Reserve:			
Balance as per last financial statements		**4,667.70**	4,517.70
Add: Amount transferred from surplus balance in the statement of profit and loss		**54.00**	150.00
Closing Balance		**4,721.70**	4,667.70
Foreign currency translation reserve			
Balance as per the last financial statements		**49.49**	47.29
Add: Change during the year		**(0.63)**	2.20
	*	**48.86**	49.49
Surplus in the statement of profit and loss			
Balance as per last financial statements		**5,826.68**	4,550.51
Profit for the year		**415.91**	2,225.73
Less: Appropriations			
Interim equity dividend (amount per share ₹.15/- (March 31, 2012: ₹.15/-))		**(343.98)**	(343.98)
Tax on Interim equity dividend		**(55.80)**	(55.80)
Proposed final equity dividend (amount per share ₹.7.50/- (March 31, 2012: ₹.15/-))		**(171.99)**	(343.98)
Tax on proposed equity dividend		**(29.23)**	(55.80)
Transfer to general reserve		**(54.00)**	(150.00)
Total appropriations		**(655.00)**	(949.56)
Net surplus in the statement of profit and loss	**	**5,587.59**	5,826.68
Total Reserves and surplus	***	**12,518.56**	12,704.28

* includes share in joint venture ₹.48.86 Lakhs (March 31, 2012 - ₹.49.49 Lakhs)

** includes share of loss in joint venture ₹.96.04 Lakhs (March 31, 2012 - ₹.88.73 Lakhs)

*** includes share loss in joint venture ₹.47.18 Lakhs (March 31, 2012 - ₹.39.24 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 5 - LONG-TERM BORROWINGS:				
From Bank (secured) for Kullu facility	**57.06**	123.53	**69.20**	125.87
From Bank (secured) for Dahej facility	**1,233.33**	1,733.33	**407.85**	281.89
Vehicle loan from Banks (secured) (secured against hypothecation of vehicles)	**56.97**	102.10	**48.44**	45.33
Vehicle loan financial institutions (secured) (secured against hypothecation of vehicles)	**3.43**	5.95	**2.52**	2.19
Equipment Finance Loan from financial institute (Secured)	**175.83**	–	**78.34**	–
Amount disclosed under the head "other current liabilities" (Refer Note 10)	**–**	–	**(606.35)**	(455.28)
Net amount	**1,526.62**	1,964.91	**–**	–

Vehicle loans from banks were taken during the financial year 2008-09 to 2011–12 and carries interest ranging between @ 8.20% to 12.76% p.a. The loan is repayable in 36 / 60 monthly installments including interest. The loan is secured by hypothecation of vehicles.

Vehicle loans are taken from the Banks and Financial Institutions against hypothecation of the vehicles repayable in monthly instalments ranging between 36 to 60 months with interest rates ranging from 10% to 14%.

Term loans for expansion of Kullu facility are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 15% to 16% repayable in 48 equal monthly instalments. The said term loans are secured by way of first charge on fixed assets procured with financial assistance of the term loan and by equitable mortgage of factory land and building at Kullu.

Term loan for setting up a new facility at Dahej SEZ are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 15% to 16% repayable in 60 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with financial assistance of the said term loan and by equitable mortgage of factory land and building at Dahej.

Term loan from financial institution (secured) for financing the purchase of plant and machinery at Dahej SEZ are taken from Siemens Financial Services Private Limited with interest rates at 13.75%, repayable in 48 equal monthly instalments. The said term loan is secured by way of first charge on plant and machinery procured with financial assistance of the said term loan.

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
NOTE 6 - DEFERRED TAX LIABILITY (NET):		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	**392.81**	238.16
Items allowed under Income tax computed on payment/realisation basis	**0.45**	0.45
Rental income (Straight-lining under AS-19)	**4.33**	1.83
Gross deferred tax liability	**397.59**	240.44
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**65.37**	69.76
Provision for doubtful debts and advances	**147.82**	146.08
Gross deferred tax asset	**213.19**	215.84
Net deferred tax liability	**(184.40)**	(24.60)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 7 - OTHER LONG-TERM LIABILITIES				
Deposits from tenants	**77.27**	77.27	**493.27**	516.95
Amount disclosed under "other current liabilities" (Refer Note 10)			**(493.27)**	(516.95)
	77.27	77.27	**–**	–

	Long Term		Short Term	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 8 - PROVISIONS:				
Provision for employee benefits				
Gratuity	**11.58**	21.47	**–**	20.72
Long term compensated absences	**170.42**	153.30	**34.44**	30.27
	182.00	174.77	**34.44**	50.99
Other provisions				
Proposed dividend	**–**	–	**171.99**	343.98
Provision for tax on proposed equity dividend	**–**	–	**29.23**	55.80
Taxation, net of advance taxes (other than deferred tax)	**–**	–	**–**	53.69
	–	–	**201.22**	453.47
	182.00	174.77	**235.66**	504.46

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
NOTE 9 - SHORT TERM BORROWINGS:		
Cash credit from bank (Secured) from Union Bank of India	**967.07**	459.27
Packing Credit (Secured) from Union Bank of India	**1,187.00**	800.00
	2,154.07	1,259.27
The above amount includes		
Secured borrowings	**2,154.07**	1,259.27

Packing credit, post shipment credit and cash credit are from Union Bank of India and are secured against hypothecation of Company's entire stocks of raw materials, semi-finished, and finished goods, consumable stores and spares and such other moveable including book-debts, bills, whether documentary or clean, outstanding monies, receivables, and also by way of first charge on all of the Company's fixed assets both present and future. The packing credit and cash credit are repayable on demand and carry interest @ 11% and 14.5% (BR+3%) p.a. respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 10 - CURRENT LIABILITIES:		
Trade payables	* **1,493.14**	1,589.28
(Details of dues to micro and small enterprises (Refer Note 36))		
Other current liabilities:		
Current maturities of long-term borrowings (Refer Note 5)	**606.35**	455.28
Current maturities of deposits from tenants (Refer Note 7)	**493.27**	516.95
Investor Education and Protection Fund will be credited by the following amount (as and when due)		
Unclaimed dividends	**24.78**	18.77
Others		
Statutory dues	**67.02**	45.12
Liability for capital expenditure	**510.60**	53.96
Others	**261.87**	38.16
	1,963.89	1,128.24
	* **3,457.03**	2,717.52

* includes share in joint venture ₹.0.86 Lakh (March 31, 2012 - ₹.0.01 Lakh)

NOTE 11 - TANGIBLE ASSETS: (₹ in Lakhs)

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
At April 1, 2011	56.83	308.93	1,530.97	3,330.83	362.75	423.50	295.73	6,309.54
Additions	–	–	1,422.69	1,781.82	57.27	86.78	–	3,348.56
Disposal	–	–	–	(82.08)	–	(62.27)	–	(144.35)
At March 31, 2012	56.83	308.93	2,953.66	5,030.57	420.02	448.01	295.73	9,513.75
Additions	**–**	**–**	**716.23**	**2,208.32**	**63.72**	**20.43**	**–**	**3,008.70**
Disposal	**–**	**–**	**–**	**(44.02)**	**(0.02)**	**(18.37)**	**–**	**(62.41)**
At March 31, 2013	**56.83**	**308.93**	**3,669.89**	**7,194.87**	**483.72**	**450.07**	**295.73**	**12,460.04**
Depreciation								
At April 1, 2011	–	10.30	390.08	1,450.30	267.55	106.93	54.51	2,279.67
Charge for the year	–	10.30	151.52	394.93	36.72	46.65	9.69	649.81
Disposal	–	–	–	(75.55)	–	(32.72)	–	(108.27)
At March 31, 2012	–	20.60	541.60	1,769.68	304.27	120.86	64.20	2,821.21
Charge for the year	**–**	**10.33**	**231.25**	**432.99**	**44.92**	**46.65**	**9.69**	**775.83**
Disposal	**–**	**–**	**–**	**(35.05)**	**(0.02)**	**(9.91)**	**–**	**(44.98)**
At March 31, 2013	**–**	**30.93**	**772.85**	**2,167.62**	**349.17**	**157.60**	**73.89**	**3,552.06**
Impairment loss								
At April 1, 2011	–	–	–	9.97	–	–	–	9.97
At March 31, 2012	–	–	–	9.97	–	–	–	9.97
At March 31, 2013	**–**	**–**	**–**	**9.97**	**–**	**–**	**–**	**9.97**
Net Block								
At March 31, 2012	56.83	288.33	2,412.06	3,250.92	115.75	327.15	231.53	6,682.57
At March 31, 2013	**56.83**	**278.00**	**2,897.04**	**5,017.28**	**134.55**	**292.47**	**221.84**	**8,898.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 11 - TANGIBLE ASSETS (contd.):

Note:

1 Land includes ₹.8.06 Lakhs being cost of land held in trust by Directors of the Company

2 Major portion of the building at Thane has been given on lease

3 Plant and equipment includes:

(i) Assets held for disposal:
- Gross block ₹.26.53 Lakhs (March 31, 2012 - ₹.26.53 Lakhs)
- Net block ₹.Nil (March 31, 2012 - ₹.Nil)

4 Share in joint venture assets
- Gross block ₹.4.21 Lakhs (March 31, 2012 - ₹.4.21 Lakhs)
- Accumulated depreciation ₹.4.21 Lakhs (March 31, 2012: ₹.4.21 Lakhs)
- Net block ₹.Nil (March 31, 2012 - ₹.Nil)
  Depreciation ₹.Nil (March 31, 2012) - ₹.0.35 Lakh)

5 Vehicles includes hypothecated to banks:
- Gross block ₹.273.29 Lakhs (March 31, 2012 - ₹.290.72 Lakhs)
- Depreciation charge for the year ₹.29.24 Lakhs (March 31, 2012: ₹.27.28 Lakhs)
- Accumulated depreciation ₹.74.16 Lakhs (March 31, 2012: ₹.43.48 Lakhs)
- Net block ₹.199.13 Lakhs (March 31, 2012 - ₹.247.25 Lakhs)

6 Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.

NOTE 12 - INTANGIBLE ASSETS:

(₹ in Lakhs)

	Computer software	Product Know-how	Film rights *	Total
Gross Block				
At April 1, 2011	60.50	74.49	24.48	159.47
Purchase	33.57	218.89	–	252.46
Disposal (refer note a)	(2.01)	–	(24.48)	(26.49)
At March 31, 2012	92.06	293.38	–	385.44
Purchase	**21.42**	**40.98**		**62.40**
Disposal	**–**	**–**	**–**	**–**
At March 31, 2013	**113.48**	**334.36**	**–**	**447.84**
Amortization				
At April 1, 2011	17.98	34.99	8.92	61.89
Charge for the year	14.47	111.79	–	126.26
Disposal	**(0.28)**	**2.33**	**(8.92)**	**(6.87)**
At March 31, 2012	32.17	149.11	–	181.28
Charge for the year	**18.45**	**145.28**	**–**	**163.73**
Disposal	**–**	**–**	**–**	**–**
At March 31, 2013	**50.62**	**294.39**	**–**	**345.01**
Net Block				
At March 31, 2012	59.89	144.27	–	204.16
At March 31, 2013	**62.86**	**39.97**	**–**	**102.83**

Note

During the previous year the Company has entered into an agreement for the joint development of remake of film rights. Accordingly the net cost of ₹.15.70 Lakhs has been reclassified as cost of production. (Refer Note 21.2)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 13 - NON-CURRENT INVESTMENTS :		
Trade investments (valued at cost unless stated otherwise)		
Equity instruments:		
Biodil Marsing Private Limited. (unquoted)*	**5.90**	5.90
59,000 (March 31, 2012 - 59,000) Equity shares of ₹.10 each fully paid up		
Abbott India Limited (AIL). (quoted)	**0.01**	0.01
139 (March 31, 2012 - 139) Equity shares of ₹.10 each fully paid-up		
Shivalik Solid Waste Management Limited (unquoted) 20,000 (March 31, 2012 - 20,000) Equity shares of ₹.10/- each	**2.00**	2.00
Non-trade investments (valued at cost unless stated otherwise) (unquoted)		
Government securities:		
National Highways Authority Of India	**50.00**	75.00
500 (March 31, 2012 - 750) bonds of ₹.10,000 each fully paid up		
Rural Electrification Corporation Limited	**50.00**	75.00
500 (March 31, 2012 - 750) bonds of ₹.10,000 each fully paid up		
Investment in equity instruments		
Investment in associates		
Health and Wellness India Private Limited (Refer Note (b) below)	**193.91**	340.98
30,12,504 (March 31,2012 - 30,12,504) Equity shares of ₹.10 each fully paid-up		
(includes goodwill of ₹.244.82 Lakhs (March 31, 2012 ₹.244.82 Lakhs)		
Zela Wellness India Private Limited (Refer Note (b) below)	**–**	–
19,600 (March 31,2012 - NIL) Equity shares of ₹.10 each fully paid-up		
Other Investment		
Allegro Capital Private Limited - Certificate of Investment	**325.00**	325.00
Subscription/application money		
Zela Wellness India Private Limited	–	50.00
Noble Explochem Ltd	**307.85**	100.50
	934.67	974.39
Less: Provision for diminution in value of investments *	**5.90**	5.90
	928.77	968.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 13 - NON-CURRENT INVESTMENTS : (contd.)		
Aggregate amount of quoted investments (Market value: ₹.1.87 Lakhs (March 31,2012 - ₹.2.11 Lakhs))	**0.01**	0.01
Aggregate amount of unquoted investments	**928.76**	968.48
Aggregate provision for diminution in value of investments	**5.90**	5.90

Note

a. During the previous year, the Company has completed transaction based on Share Purchase Agreement dated September 28, 2011 executed with Evotec AG and transferred 1,09,26,000 fully paid up equity shares of ₹.2/- each i.e. 30% of the paid up equity share capital of Evotec (India) Pvt. Ltd. for a total consideration of ₹.1,129.33 Lakhs.

b. The share of losses in HWIPL of ₹. 147.07 Lakhs of HWIPL and ₹. 50 Lakhs of ZWIPL have been adjusted against the value of respective investments.

	Non current		Current	
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 14 - LOANS AND ADVANCES				
Capital advances				
Unsecured, considered good	**570.35**	325.80	–	–
Security deposit				
Unsecured, considered good	**101.83**	92.66	**10.00**	10.26
Loans to related parties (note 31(12)(c)) #				
Unsecured, considered good	**228.00**	–	–	100.00
Advances recoverable in cash or kind				
Secured considered good	–	–	–	–
Unsecured considered good	**8.03** *	0.27 *	**438.12**	502.38
Doubtful	**24.09**	24.09	–	–
	32.12	24.36	**438.12**	502.38
Provision for doubtful advances	**24.09**	24.09	–	–
	8.03	0.27	**438.12**	502.38
Other loans and advances (unsecured)				
Inter corporate deposit	**267.83**	267.83	**50.00**	300.00
Advance income-tax (net of provision for taxation)	–	–	**89.89**	0.95
MAT credit entitlement	–	–	**0.14**	0.14
Prepaid expenses	–	–	**50.40**	48.40
Loans to employees **	**89.39**	95.47	**18.09**	12.72
Balances with statutory/government authorities	–	–	**93.70**	53.07
Others	–	–	**3.54**	3.75
	357.22	363.30	**305.76**	419.03
Provision for doubtful inter corporate deposit	**267.83**	267.83	–	–
	89.39	95.47	**305.76**	419.03
	997.60	514.20	**753.88**	1,031.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 14 - LOANS AND ADVANCES (contd.)				
Loans to related parties include #				
Health and Wellness India Private Limited	**228.00**	–	**–**	100.00
[Maximum amount outstanding during the year ₹.228.00 Lakhs (March 31, 2012 - ₹.100.00 Lakhs)]				
Loans and advances due by directors or other officers, etc. **				
Dues from officers	**–**	1.60	**1.60**	1.60
* includes share in joint venture ₹.1.00 Lakh (March 31, 2012 - ₹.0.21 Lakh)				

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 15 - TRADE RECEIVABLES AND OTHER ASSETS				
15.1. Trade receivables				
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	**–**	–	**402.74** *	82.34 *
Considered doubtful	**157.70**	152.33	**6.47**	5.97
	157.70	152.33	**409.21**	88.31
Less: Provision for doubtful debts	**157.70**	152.33	**5.97**	5.97
	–	–	**403.24**	82.34
Other receivables				
Considered good	**–**	–	**2,125.41**	2,254.78
	–	–	**2,528.65**	2,337.12

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
Trade receivables include due from Company in which the Group Company's director is a director - Dupen Laboratories Private Limited	**–**	–	**11.85**	23.53

* includes share in joint venture ₹.1.67 Lakhs (March 31, 2012 - ₹.1.81 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Non current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
NOTE 15 - TRADE RECEIVABLES AND OTHER ASSETS (contd.)				
15.2. Other assets				
Unsecured, considered good unless stated otherwise				
Non-current bank deposit balances (Refer Note 18)	**2.50**	8.43	**59.79**	–
Interest accrued	**24.29**	–	**153.05**	239.43
[Interest accrued includes ₹.5.25 Lakhs (March 31, 2012- ₹.6.57 Lakhs from Government Bonds]	**26.79**	8.43	**212.84**	239.43

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
NOTE 16 - CURRENT INVESTMENTS		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted		
DWS Ultra Short Term Fund Nil (March 31, 2012 - 2,76,936.361) units of ₹.10 each	–	27.94
Kotak Quarterly Interval Plan Series 9 20,49,986.827 (March 31, 2012 - 20,49,986.827) units of ₹.10 each	**205.00**	205.00
Kotak Quarterly Interval Plan Series 1 - Dividend Nil (March 31, 2012 - 7,49,805.051) units of ₹.10 each	–	75.00
L&T Select Income Fund - Flexi Debt Institutional - Dividend Nil (March 31, 2012 - 13,91,332.100) units of ₹.10 each	–	141.60
LICMF Interval Fund - Quarterly Plan - Series 2 - Quarterly Dividend Plan Nil (March 31, 2012 - 12,09,830.624) units of ₹.10 each	–	121.00
Sundaram Interval Fund Qtly- Plan E - Inst Div - Payout Nil (March 31, 2012 - 12,00,000) units of ₹.10 each	–	120.00
Templeton India Short Term Income Retail Plan - Monthly Dividend Nil (March 31, 2012 - 10,431.489) units of ₹.1,000 each	–	114.83
	205.00	805.37
Aggregate amount of quoted investments (Market value ₹.Nil (March 31, 2012: ₹.Nil))	**–**	–
Aggregate amount of unquoted investments	**205.00**	805.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

		March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 17. INVENTORIES (valued at lower of cost and net realizable value)			
Raw materials and components (includes in transit of ₹.48.93Lakhs (March 31, 2012: ₹.81.23 Lakhs)) (Refer note 21)	*	**1,227.54**	1,165.30
Work-in-progress - Motion Film production		**45.06**	45.06
Work-in-progress	**	**678.62**	444.32
Finished goods	***	**375.35**	333.88
Stores and spares		**186.50**	163.98
	****	**2,513.07**	2,152.54

* includes share in joint venture ₹.2.51 Lakhs (March 31, 2012 - ₹.2.58 Lakhs)

** includes share in joint venture ₹.10.73 Lakhs (March 31, 2012 - ₹.11.04 Lakhs)

*** includes share in joint venture ₹.4.72 Lakhs (March 31, 2012 - ₹.4.85 Lakhs)

**** includes share in joint venture ₹.17.96 Lakhs (March 31, 2012 - ₹.18.47 Lakhs)

	Non current		Current	
	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 18. CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
With scheduled banks on:				
Current account	–	–	**285.76**	369.56
Unclaimed dividend account	–	–	**24.78**	18.77
Deposits with original maturity of less than three months	–	–	**0.03**	331.15
With non-scheduled bank :				
Current account #	–	–	**48.32** *	64.28 *
Cash on hand	–	–	**4.44**	7.63
	–	–	**363.33**	791.39
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months			**3,088.86**	4,217.86
Deposits with original maturity for more than 12 months ##	**2.50**	–	–	–
Margin money deposit	–	8.43	**59.79**	–
	2.50	8.43	**3,148.65**	4,217.86
Amount disclosed under non-current assets (Refer note 15.2)	**(2.50)**	(8.43)	**(59.79)**	–
	–	–	**3,452.19**	5,009.25

* includes share in joint venture ₹.0.01 Lakhs (March 31, 2012 - ₹.7.24 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 18. CASH AND BANK BALANCES (contd.)

# includes	Maxmimum balance outstanding during the year		Balance as on	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	₹. in Lakhs	₹. in Lakhs	**₹. in Lakhs**	₹. in Lakhs
Ceskoslovenska obchodini banka, a.s. Czech Republic	**23.15**	19.70	**7.88**	15.31
Komercni banka, a.s. Czech Republic	**7.24**	10.66	**0.01**	7.24
National Westminister Bank Plc. London	**41.73**	41.73	**40.43**	41.73
			48.32	64.28

\## Margin money deposits with a carrying amount of ₹.59.79 Lakhs (March 31, 2012 ₹.8.43 Lakhs) are subject to first charge to secure the letters of credit facilities availed by the company.

		March 31, 2013		March 31, 2012
		₹. in Lakhs		₹. in Lakhs
NOTE 19 - REVENUE FROM OPERATIONS				
19.1 Revenue from operations				
Sale of products				
Finished goods		**10,088.23**		10,202.35
Traded goods		**161.59**		111.92
		10,249.82		10,314.27
Less: Excise duty		**259.94**		182.98
		9,989.88		10,131.29
19.2 Other operating revenue				
Rent (tax deducted at source ₹.124.51 Lakhs, March 31,2012 - ₹.125.74 Lakhs)		**1,153.58**		1,113.76
Service income		**33.44**		40.10
Scrap sales		**7.26**		0.73
Sale of script		**1.85**		–
Profit on sale/redemption of current investments - other than trade	**12.22**		119.45	
Less: Loss on sale/redemption of current investments - other than trade	**–**	**12.22**	6.04	113.41
Dividend Income from investments:				
Current - other than trade		**36.46**		162.44
Interest income on :				
Inter-corporate deposits	**50.12**		51.14	
Bank deposits	**371.11**		264.37	
Security deposits and others	**3.78**		1.31	
Bonds	**8.09**		7.33	
[tax deducted at source ₹.41.90 Lakhs, (March 31, 2012 - ₹.13.66 Lakhs)]		**433.10**		324.15
		1,677.91		1,754.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 20.1 - OTHER INCOME:		
Exchange gain (net)	**159.82**	344.19
Miscellaneous Income	**6.89** *	2.05 *
	166.71	346.24

* includes share in joint venture ₹.Nil (March 31, 2012 - ₹.0.11 Lakhs)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 20.2 - OTHER INCOME:		
Interest on income-tax refunds	**5.04**	13.03
	5.04	13.03

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 21 - COST OF PRODUCTION:		
21.1 Cost of production:		
Inventories of raw materials / packing materials at the beginning of the year	**1,162.72**	403.31
Add: Purchases	**4,289.01** *	4,609.05 *
Less : Inventories of raw materials / packing materials at the end of the year	**1,225.03**	1,162.72
	4,226.70	3,849.64

* includes share in joint venture ₹.2.85 Lakhs (March 31, 2012 - ₹.2.67 Lakhs)

	March 31, 2013	March 31, 2012
21.2 Cost of production of movie: (Refer note 2.1 (e))		
Inventories at the beginning of the year	–	–
Cost of production of movie	–	45.06
	–	45.06
Less: Inventories at the end of the year	–	–
	–	45.06
Details of cost of production of movie		
Film rights	–	30.60
Professional fees and expenses	–	14.46
	–	45.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 22 - (INCREASE)/DECREASE IN INVENTORIES		
Inventories at the end of the year (Refer Note 17)		
Work-in-progress	**667.89**	433.28
Finished goods	**370.63**	329.03
Work-in-process - production of movie	**45.06**	45.06
	1,083.58	807.37
Inventories at the beginning of the year (Refer Note 17)		
Work-in-progress	**433.28**	265.05
Finished goods	**329.03**	335.88
Work-in-process - production of movie	**45.06**	–
	807.37	600.93
	(276.21)	(206.44)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 23 - EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus	**1,770.62 ***	1,576.86 *
Contribution to provident and other fund	**102.71**	89.25
Gratuity expenses (Refer Note 28 (iv))	**16.60**	(7.05)
Employee welfare expenses	**182.27**	161.32
	2,072.20	1,820.38

* includes share in joint venture ₹.0.63 Lakhs (March 31, 2012 - ₹.0.81 Lakhs)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 24 - OTHER EXPENSES:		
Consumption of stores and spares	**246.69**	288.69
Processing charges	**428.06**	464.26
Power and fuel	**584.70**	630.54
Water	**16.88**	17.20
Rates and taxes	**71.58**	98.95
Excise duty expenses	**27.15**	17.17
Rent	**40.70**	23.05
Insurance	**90.64**	76.48
Repairs and maintenance:		
Plant and machinery	**64.31**	52.91
Buildings	**113.10**	44.53
Others	**197.85**	108.31
Commission and discounts on sales	**4.37**	5.94
Advertising and sales promotion expenses	**68.50**	59.17
Packing, freight and distribution expenses	**168.20**	271.21
Travelling and conveyance	**372.36**	341.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 24 - OTHER EXPENSES (contd.)		
Legal and professional charges	**360.06**	326.83
Payment to auditors (Refer note below)	**38.22**	35.19
Communication costs	**56.55**	53.02
Donation	**9.24**	1.05
Directors' sitting fees	**10.10**	9.90
Printing and stationery	**44.81**	46.90
Staff recruitment expenses	**25.82**	38.92
Provision for doubtful advances	**5.36**	–
Loss on sale of fixed assets (net)	**3.78**	18.73
Loss on deletion of fixed assets	**3.52**	2.30
Miscellaneous expenses	**191.30** *	168.97 *
	3,243.85	3,201.75

* includes share in joint venture ₹.3.83 Lakhs (March 31, 2012 - ₹.Nil)

	March 31, 2013	March 31, 2012
Payment to auditors'		
As auditor		
Audit fee	**16.25**	17.25
Tax audit fee	**5.55** *	4.70 *
Limited review	**13.50**	10.50
In other capacity in respect of:		
Other services (certification fees)	**1.25**	0.30 *
Reimbursement of expenses	**1.67** *	2.44 *
	38.22	35.19

* includes amount payable to another auditor

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 25 - DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	**775.83**	649.81
Amortization of intangible assets	**163.73** *	126.26 *
	939.56 *	776.07

* includes share in joint venture ₹.Nil (March 31, 2012 - ₹.0.38 Lakhs)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 26 - FINANCE COSTS:		
Interest on term loans	**268.86**	219.50
Interest on others	**224.44**	137.12
Bank Charges	**8.49**	30.85
	501.79	387.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
NOTE 27 - EARNINGS PER SHARE (EPS):		
Profit after tax	**415.91**	2,225.73
	No. in Lakhs	No. in Lakhs
Weighted average number of equity shares in calculating basic EPS	**22.93**	22.93
Earnings per share (₹.Per share):	**18.14**	97.06

NOTE 28 - EMPLOYEE BENEFITS:

The Company operates two employee benefit plans namely i) defined contribution plan, which includes Provident fund and Superannuation scheme ii) Defined benefit plan which includes contribution to gratuity fund (funded) and provision for long term compensated absence.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
a) Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 23 for the year are as under:		
- Provident fund	**102.71**	87.30
- Superannuation scheme	**–**	1.95
b) Defined Benefit Plan		
Gratuity - As per actuarial valuation		

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
	Gratuity (Funded)	
i) Changes in the present value of the defined benefit obligation		
Opening	**152.48**	156.13
Interest cost	**14.52**	13.32
Current service cost	**23.06**	21.45
Benefits paid	**(3.02)**	(0.82)
Actuarial (gains) / losses on obligation	**(6.14)**	(37.60)
Closing	**180.90**	152.48
ii) Changes in fair value of plan assets		
Opening	**121.60**	114.36
Expected return on plan assets	**12.07**	10.43
Actuarial (gains) / losses on obligation	**1.15**	(4.34)
Employer's contribution	**44.53**	1.97
Benefits paid	**(3.02)**	(0.82)
Closing	**176.33**	121.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
	Gratuity (Funded)	
NOTE 28 - EMPLOYEE BENEFITS: (contd.)		
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	**180.90**	152.48
Fair value of plan asset	**176.33**	121.60
Amount not recognised as assets	**(0.25)**	(1.87)
Net Asset (liability) recognised in balance sheet	**(4.82)**	(32.75)
iv) Amounts recognised in statement of profit and loss account		
Current service cost	**23.06**	21.45
Interest cost	**14.52**	13.32
Expected return on plan assets	**(12.07)**	(10.43)
Net actuarial (gain) /loss recognised	**(7.29)**	(33.26)
Amount not recognised as asset	**(1.62)**	1.87
Total expense	**16.60**	(7.05)
v) Actual return on plan assets	**13.22**	8.63
vi) Principal assumptions used in actuarial valuation		
Discount rate	**8.10% - 8.5%**	8.50%
Expected return on plan assets	**9.15%**	9.15%
Salary escalation rate	**10%**	10%
Withdrawal rate	**21 to 30 - 7%**	21 to 30 - 7%
(as per age group for 2012-13)	**31 to 40 - 4%**	31 to 40 - 4%
	41 & above - 0.33%	41 to 57 - 0.33%

vii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	DIL	**FBL**	DIL	FBL
Investments with insurer	**100%**	**83%**	100%	98%
Investments with others	**Nil**	**17%**	Nil	2%

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2011 ₹. in Lakhs	March 31, 2010 ₹. in Lakhs	March 31, 2009 ₹. in Lakhs
			Gratuity (Funded)		
viii) Amounts for the current and previous three periods					
Defined benefit obligation	**180.89**	152.48	156.13	141.52	162.03
Plan assets	**176.33**	121.61	114.36	96.57	94.28
Surplus/(deficit)	**(4.56)**	(30.88)	(41.77)	(44.95)	(67.75)
Experience adjustments on plan liabilities	**(11.24)**	(19.41)	(7.14)	(16.76)	6.58
Experience adjustments on plan assets	**1.15**	(4.34)	1.64	1.64	1.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.

b) Expected rate of return on assets assumed by the Insurance company is generally based on their investment pattern as stipulated by the Government of India.

c) The estimates of rate escalation in salary considered in the actuarial valuation take in to account inflation, seniority promotion and other relevant factors including supply demand in the employment market.

d) The Group (consisting of parent Company and Fermenta Biotech Limited only) is expected to contribute to the Gratuity fund during 2013-14 ₹. 10.00 Lakhs (March 31, 2012 ₹. 30.00 Lakhs during 2012-13)

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
NOTE 29 - LEASES:		
Assets taken on operating lease		
During the year the Company has entered into arrangements for taking on leave and license basis certain residential and office premises. The agreement has cancellable and 7.50% - 10% escalation clause and is not renewable.		
Lease payments recognised in the statement of profit and loss for the year.	**40.70**	23.05
Assets given on operating lease		
The Company has entered into operating lease agreements for its properties in Thane and Worli, Mumbai with original lease periods expiring between 2010 and 2014. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5%.		
1, Rent income recognised in the statement of profit and loss for the year.	**1,153.58**	1,113.76
(includes rentals on sub-lease of ₹.381.85 lakhs (March 31, 2012 ₹.362.94 lakhs) which will expire with no renewable terms on August 31, 2014)		
2 Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	**337.75**	417.31
ii) Later than one year and not later than five years	**757.32**	1,095.07
ii) More than five years	–	–

NOTE 30 - INTEREST IN JOINT VENTURE:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Company has invested an aggregate of ₹.188.51 Lakhs in VasKo Glider s.r.o. Czechoslovakia, a joint venture. Out of the above, ₹.1.96 Lakhs (Czech Koruna 1 Lakh) is towards basic capital and ₹.186.55 Lakhs (Czech Koruna 95.24 Lakhs) is towards voluntary additional contribution to capital. VasKo Glider is involved in manufacture of wheelchairs based on Levitation Movement Technology, acquired from the joint venture partner under the Technology transfer agreement with effect from March 18, 2005 and the patent of which is registered in Czechoslovakia in the name of the joint venture partner. The joint venture partner has applied for registration of patent in various countries and the same has been registered in USA, India and Australia.

The proportionate share in the assets, liabilities, income and expenditure of the above joint venture is based on accounts prepared as per local laws as amended and issued by the Ministry of Finance of the Czech Republic, governing financial statement for business and translated by the Management as per Indian GAAP, is as follows:-

	March 31, 2013	March 31, 2012
	₹. in Lakhs	₹. in Lakhs
Percentage of holding	**50%**	50%
Assets	**20.64**	27.74
Liabilities	**0.86**	0.01
Income	**–**	0.11
Expenditure	**7.31**	3.98
Capital Commitment	–	–
Contingent liabilities	–	–

In view of the accumulated losses of Joint Venture there is substantial erosion in the value of investment and accordingly, provision for diminution of ₹.188.51 lakhs has been made in the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES

a. **Parties where control exists**

Mr. Krishna Datla - Managing Director, Party controlling holding company.

Holding company

DVK Investments Private Ltd

b. **Other related party relationships where transactions have taken place during the year**

Fellow Subsidiary

VM Café de Art Private Ltd.

c. **Key Management Personnel**

1. Mr. Krishna Datla - Managing Director. (DIL)
2. Mr. Satish Varma - Managing Director (FBL)
3. Mr. Rajendra Gaitonde - Whole Time Director (Operations). (FBL)
4. Ms. Anupama Datla - Executive Director. (FBL)

d. **Associates**

1. Evotec (India) Private Ltd. (upto September 30, 2011)
2. Health and Wellness India Private Ltd
3. Zela Wellness India Private Limited (w.e.f. March 14 , 2012)

e. **Enterprises owned or significantly influenced by key management personnel or their relatives**

1. Magnolia FNB Private Limited
2. Dupen Laboratories Pvt Ltd.
3. Lacto Cosmetic (Vapi) Pvt. Ltd.

f. **Related party relationship is identified by the Company on the basis of available information.**

g. **Transactions with related parties.**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹. in Lakhs)

	Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
1	Loans and advances given					
	- Health and Wellness India Private Ltd.					**128.00** (–)
	- Zela Wellness India Private Limited					**40.00** (–)
2	Loans recovered					
	- Zela Wellness India Private Limited					**40.00** (–)
3	Interest on loan					
	- Health and Wellness India Private Ltd.					**24.29** (15.05)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

	Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Manage-ment Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
4	Remuneration					
	- Mr. Satish Varma			**39.50** (68.26)		
	- Mr. Krishna Datla			**41.72** (41.74)		
	- Ms. Anupama Datla			**47.16** (41.90)		
	- Mr. Rajendra Gaitonde			**30.45** (34.28)		
5	Sales					
	- Dupen Laboratories Private Ltd.				**11.37** (67.88)	
6	Purchase of raw material					
	- Dupen Laboratories Private Ltd.				**41.95** (90.65)	
	- Lacto Cosmetics (Vapi) Private Ltd.				**3.10** (3.23)	
7	Processing Charges paid					
	- Lacto Cosmetics (Vapi) Private Ltd.				**7.15** (9.34)	
8	Rent income					
	- DVK Investment Private Ltd.	**1.29** (1.22)				
	- Evotec (India) Private Ltd.					**–** (124.10)
	- VM Cafe de Art Private Ltd.		**–** (1.22)			
	- Magnolia FNB Private Ltd.		**1.20** (0.65)			
9	Other reimbursements received					
	- Evotec (India) Private Ltd					**–** (77.93)
10	Service income received					
	- Evotec (India) Private Ltd					**–** (15.02)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 31 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

	Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
11	Investment in equity share capital					
	- Health and Wellness India Private Ltd.					–
						(250.00)
	- Zela Wellness India Private Ltd.					**50.00**
						(–)
12	Balance outstanding as at the year end					
	a. Trade payable					
	- Lacto Cosmetics (Vapi) Pvt. Ltd.				**3.80**	
					(1.67)	
	- Dupen Laboratories Private Ltd.				**0.49**	
					(0.00)	
	- Mr. Satish Varma			–		
				(12.50)		
	- Mr. Rajendra Gaitonde			–		
				(4.00)		
	b. Trade receivables					
	- Dupen Laboratories Private Ltd.				**11.85**	
					(23.53)	
	c. Loans					
	- Health and Wellness India Private Ltd.					**228.00**
						(100.00)
	d. Interest accrued					
	- Health and Wellness India Private Ltd.					**24.29**
						(20.10)

(Figures in brackets are the corresponding figures in respect of the previous year.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 32 - SEGMENT INFORMATION

Primary Segments - Business Segments

The primary reporting of the Company has been performed on the basis of business segment

Property - Renting of properties

Treasury - Investment in shares, securities and mutual funds and bank deposits.

Entertainment - Production and distribution of motion films, providing services for event management and film production.

Chemicals - Manufacturing and selling of chemicals primarily bulk drugs and enzymes.

Segments have been identified and reported based on the nature of the services, the risk and returns, the organisation structure and the internal financial reporting systems.

(₹. in Lakhs)

	Chemicals	Property	Treasury	Entertainment	Total
	2012-2013				
	2011-2012				
a. Revenue					
1. Segment revenue	**10,162.96**	**1,321.02**	**499.09**	**1.85**	**11,984.92**
	10,487.31	*1,285.66*	*1,640.58*	*–*	*13,413.55*
Less: Inter-segment revenue	**–**	**133.20**	**26.81**	**–**	**160.01**
	–	*140.86*	*18.38*	*–*	*159.24*
Unallocated revenue					**14.63**
					60.09
2. Total					**11,839.54**
					13,314.40
b. Result					
1. Segment result / operating profit / (loss)	**985.60**	**727.25**	**472.28**	**(83.54)**	**2,101.59**
	1,841.27	*870.40*	*1,610.46*	*(74.42)*	*4,247.71*
2 Finance costs					**501.79**
					387.47
3 Unallocable income/(expenditure) (net)					**(589.65)**
					(523.80)
4 Profit before tax					**1,010.15**
					3,336.44
5 Provision for tax					
- current tax					**207.35**
					650.39
- deferred tax					**159.80**
					(10.21)
- Provosion for tax in respect of earlier years written back					**–**
					0.35
6 Profit after tax					**643.00**
					2,695.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 32 - SEGMENT INFORMATION (contd.):

(₹. in Lakhs)

	Chemicals	Property	Treasury	Entertainment	Total
	2012-2013 / *2011-2012*				
c. Other information					
1. Segment assets	**13,749.96** *12,134.18*	**2,829.92** *1,702.66*	**4,675.96** *6,629.75*	**363.14** *340.86*	**21,618.98** *20,807.45*
2 Unallocated corporate assets					**950.26** *823.25*
3. Total assets					**22,569.24** *21,630.70*
4. Segment liabilities	**8,347.19** *7,144.97*	**680.36** *661.43*	**0.08** *0.08*	**230.33** *226.91*	**9,257.96** *8,033.39*
5. Unallocated corporate liabilities					**563.40** *663.71*
6. Total liabilities					**9,821.36** 8,697.10
7. Cost incurred during the year to acquire					
- segment fixed assets	**2,565.56** *2,772.20*	**766.51** *562.77*	**–** *–*	**0.93** *30.74*	**3,333.00** *3,365.71*
- unallocated segment fixed assets					**10.23** *15.12*
8. Depreciation and amortization expense	**713.45** *603.63*	**182.11** *126.53*	**–** *–*	**5.10** *3.88*	**900.66** *734.04*
9. Unallocated depreciation					**38.90** *42.03*

(Figures in italics are the corresponding figures in respect of the previous year.)

Secondary Segments - Geographical Segments

Secondary segmental reporting is performed on the basis of the geographical location of customers. The management views the Indian market and export markets as distinct geographical segments.

Sales by market – The following is the distribution of the Company's sale by geographical market:

	2012-13 ₹. in Lakhs	2011-12 ₹. in Lakhs
India	**4,537.44**	5,309.62
Europe	**6,162.83**	6,690.87
Others countries	**1,124.64**	1,253.82
	11,824.91	13,254.31

Assets and additions to fixed assets by geographical area – The following is the carrying amount of segment assets and additions to fixed assets by geographical area in which the assets are located:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 32 - SEGMENT INFORMATION (contd.):

	Carrying amount of Segment Assets		Additions to fixed assets	
	2012-2013 ₹. in Lakhs	2011-2012 ₹. in Lakhs	**2012-2013 ₹. in Lakhs**	2011-2012 ₹. in Lakhs
India	**20,789.21**	19,653.65	**3,343.23**	3,380.83
Outside India	**1,780.03**	1,977.05	**–**	–
	22,569.24	21,630.70	**3,343.23**	3,380.83

Carrying amount of segment assets outside India represents receivables from export debtors, assets at branch office and proportionate share in the assets of joint venture.

NOTE 33 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
Estimated amount of contracts remaining to be executed on capital account.		
DIL Limited	**3,871.14**	696.41
Fermenta Biotech Limited	**59.76**	853.06

NOTE 34 - CONTINGENT LIABILITIES:

	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs
Contingent liabilities not probable and hence not provided by the Company in respect of;		
a) Tax matters		
– Income Tax - matter under appeal	**42.74**	–
– Excise Duty - matter under appeal	**1.50**	1.50
– Service tax - matter under appeal	**15.00**	15.00
– Sales tax - matter under appeal	**4.63**	4.63
b) Other Claims	**4.99**	4.99
	68.86	26.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 35 - DERIVATIVE INSTRUMENTS

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes. There are no Foreign Exchange Forward contracts outstanding as at March 31, 2013 and as at March 31,2012.

b) Un-hedged foreign currency exposure:

	March 31, 2013		March 31, 2012	
Particulars	**Foreign Currency in Lakhs**	**₹. in Lakhs**	Foreign Currency in Lakhs	₹. in Lakhs
DIL Limited				
a) Cash and bank balance	**Kc 2.89**	**7.88**	Kc 5.46	15.31
	–	–	EURO 0.00472	0.33
b) Trade payable	**EURO 3,414.19**	**2.39**	–	–
	–	**–**	–	–
Fermenta Biotech Limited				
a) Trade receivables	**USD 6.74**	**366.52**	USD 9.04	468.84
	EURO 17.44	**1,214.63**	EURO 18.13	1,253.75
b) Trade payables	**USD 1.49**	**81.70**	–	–
	EURO 3.75	**262.49**	EURO 4.98	346.31
c) Cash and bank balances	**–**	**–**	USD 0.02	0.89
	–	**–**	EURO 0.02	1.07

NOTE 36 - DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006:

		Particulars	**March 31, 2013 ₹. in Lakhs**	March 31, 2012 ₹. in Lakhs
a	i)	Principal amount remaining unpaid to any supplier at the end of the accounting year	**3.43**	8.04
	ii)	Interest due on above	**Nil**	Nil
		The Total of (i) & (ii)	**3.43**	8.04
b		The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
c		The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	**Nil**	Nil
d		The amount of interest accrued and remaining unpaid at the end of each accounting year; and	**Nil**	Nil
e		The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	**Nil**	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE 37 - Previous year's figures have been regrouped wherever necessary.

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 29, 2013

For and on behalf of the Board of Directors

G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary	

Thane
Date: May 29, 2013

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES (2012-2013)

STATEMENT PURSUANT TO GENERAL EXEMPTION GRANTED BY MINISTRY OF CORPORATE AFFAIRS U/S 212(8) OF THE COMPANIES ACT, 1956 AS PER CIRCULAR NO. 2/2011 DATED FEBRUARY 8, 2011

₹. in Lakhs

Sr. No.	Name of Subsidiary	Fermenta Biotech Ltd.	Fermenta Biotech (UK) Ltd.	G I Biotech Pvt. Ltd.	Aegean Properties Ltd.	CC Square Films Ltd.
	Place of Incorporation	**India**	**UK**	**India**	**India**	**India**
1.	Capital	1,770.45	183.60	1.00	30.00	5.00
2	Reserves & Surplus (adjusted for debit balance in Profit and Loss Account, where applicable)	5,274.83	(37.83)	(0.77)	53.03	(3.99)
3	Total Assets (Fixed Assets + Current Assets+Non current assets – Investments)	13,755.75	146.81	7.37	83.34	1.08
4	Total Liabilities (Non Current Liabilities+Current Liabilities)	6,897.09	1.04	7.14	0.31	0.07
5	Investments	186.62	–	–	–	–
6	Miscellaneous Expenditure	–	–	–	–	–
7	Total Income (Net of excise duty)	10,016.72	–	–	18.00	–
8	Total Expenditure	9,833.30	1.28	1.08	3.18	1.66
9	Exceptional Item	–	–	–	–	–
10	Exchange difference gain / (loss)	160.64	(0.12)	–	–	–
11	Profit / (Loss) before Tax	344.06	(1.40)	(1.08)	14.82	(1.66)
12	Provision for tax	232.96	–	0.04	3.89	–
13	Profit / (Loss) after tax	111.10	(1.40)	(1.12)	10.93	(1.66)
14	Exchange Rate used for 1 GBP					
	Balance Sheet	–	₹. 83.1264	–	–	–
	Statement of Profit and Loss	–	₹. 85.8330	–	–	–
15	Local Currency	₹.	GBP	₹.	₹.	₹.

DIL LIMITED

Regd. Office: 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) - 400610

Dear Shareholders,

Re: Ministry of Corporate Affairs (MCA) Circular No.17/2011 of April 21, 2011 and 18/2011 of April 29, 2011 (Circulars) - Green initiative for paperless compliances.

MCA has taken a 'Green Initiative' by allowing companies to mail Notices, Annual Reports and other documents (Documents) through electronic mode provided the Company has obtained e-mail addresses of the members for sending such Documents.

In response to our last year's communication on 'Green Initiative' many shareholders extended their support to this noble cause by intimating their email and other details to our Registrar Share Transfer agents for necessary action.

In view of above, shareholders holding shares in physical mode are once again requested to intimate their e-mail IDs and fill the other details mentioned in the attached prepaid inland letter and forward the same to the Company's Registrar and Transfer Agents, Link Intime India Private Limited. Shareholders holding shares in dematerialized mode are requested to intimate their e-mail IDs and other details to their respective Depository Participants.

In future, the e-mail ID of the members registered with our Registrar and Transfer Agents will be used for service of Documents through electronic mode. If you wish to obtain physical copy of Documents issued to you through electronic mode, you may email your request to contact@dil.net or write a letter to our Registrar and Transfer Agents by quoting your folio number.

Your co-operation and support to the Green Initiative of MCA will benefit the Company, its stake holders and the society at large.

With Regards,

For DIL Limited

Srikant N. Sharma
Company Secretary

Date: Aug 14, 2013, Thane

TEAR HERE

To

Link Intime India Private Limited
Unit: DIL Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai – 400 078,
Maharashtra, India

Dear Sirs,

Kindly register the following information under folio no ....

(i) E-mail ID: ....

(ii) Land Line /Mobile Phone nos.: ....

Thanking you,

Name of the First Shareholder: .... Signature ....

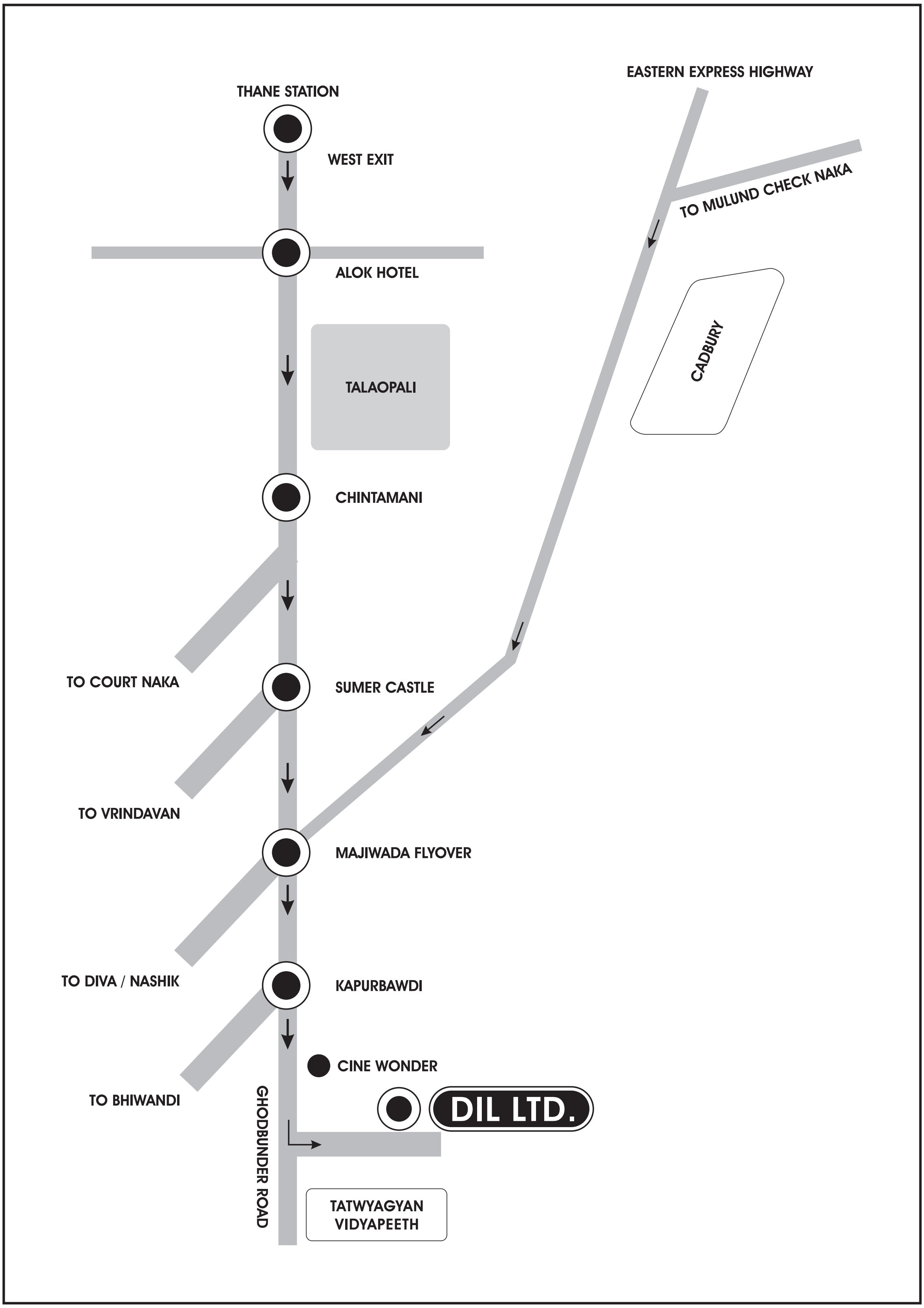
Address: ....

....

Date: ....

Place: ....

61st AGM Venue's Roadmap



DIL LIMITED

Registered Office : 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No./DP & Client ID No.: ______________ No. of Shares ______________

NAME OF THE SHAREHOLDER / PROXY (IN BLOCK LETTERS) ....

....

I hereby record my presence at the Sixty First Annual General Meeting of the Company held at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400610 on Friday, September 27, 2013 at 3.00 p.m.

....
Member's / Proxy's Signature

Notes : (1) This meeting is of members only and you are requested not to bring along with you any person who is not a member.
(2) Please carry this Attendance Slip with you and hand over the same at the entrance of place of meeting.

TEAR HERE

DIL LIMITED

Registered Office : 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610.

PROXY FORM

Folio No./DP & Client ID No.: ______________ No. of Shares ______________

I / We ....

of .... being a member /

members of the above named Company, hereby appoint ....

of ....

or failing him ....

of ....

as my / our proxy to vote for me / us and on my / our behalf at the Sixty First Annual General Meeting of the Company to be held on Friday, September 27, 2013 at 3.00 p.m. and at any adjournment thereof.

Signed by the said .... Affix Re. 0.15 Revenue Stamp ....

Date ....

Note : The proxy form, duly stamped, completed and signed must reach the Company's Registered Office at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400 610, or Link Intime India Private Limited, Unit : DIL Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078, not less than 48 hours before the time for holding the Meeting.

NOTES