



CIN : L99999MH1951PLC008485

Regd. Office : A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400 610, Maharashtra, India
Tel : +91-22-67980888 , ● Fax : +91-22-67980899 , ● Email : contact@dil.net , ● Website: www.dil.net

Ref: DIL:DIL/BSE/2017-18/F.No.: S-23/ DE05

September 5, 2017

Corporate Relations
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Sir,

Subject - Notice for 65th Annual General Meeting of DIL Limited to be held at Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra, India on September 29, 2017 at 3:00 p.m.

Ref: Code No. 506414

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 65th Annual General Meeting (AGM) of the Members of the Company will be held on Friday, September 29, 2017 at 3:00 p.m. at Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra, India, to transact the business as mentioned in the enclosed AGM Notice dated August 11, 2017 ('AGM Notice').

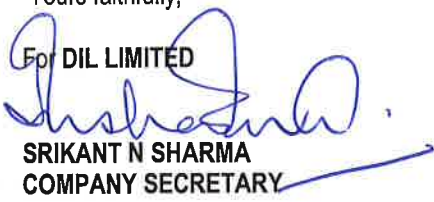
We have enclosed the Annual Report 2016-2017 along with AGM Notice of DIL Limited for your perusal and record.

The AGM Notice along with the Annual Report 2016-2017 is available on the website of the Company <http://www.dil.net/annual-report.html>.

This is for your information and record.

Thanking you,
Yours faithfully,

For DIL LIMITED


SRIKANT N SHARMA
COMPANY SECRETARY

CS Membership No: F3617

A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400610

Encl: as above



65th ANNUAL REPORT 2016-2017



CHAIRMAN EMERITUS

Mr. G.G. Desai

BOARD OF DIRECTORS

Mr. Sanjay Buch

Chairman and Independent Director

Mr. Vinayak Hajare

Independent Director

Ms. Rajeshwari Datla

Non-Executive Director

Mr. Satish Varma

Non-Executive Director

Mr. Krishna Datla

Managing Director

COMPANY SECRETARY

Mr. Srikant N. Sharma

CHIEF FINANCIAL OFFICER

Mr. Sumesh Gandhi
(appointed w.e.f. 16.02.2017)

SOLICITORS

Crawford Bayley & Co.
Mundkur Law Partners

AUDITORS

SRBC & Co. LLP
Chartered Accountants

INTERNAL AUDITORS

M M Nissim & Co.
Chartered Accountants

BANKERS

Standard Chartered Bank
The Hongkong and Shanghai Banking
Corporation Limited
Bank of Baroda
Union Bank of India
Axis Bank Limited

CORPORATE IDENTIFICATION NUMBER

L99999MH1951PLC008485

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) : INE225B01013

REGISTERED OFFICE

A-1601, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (West) – 400 610, Maharashtra, India.
Tel No : +91 22 66230800
Fax No : +91 22 6798 0899
E-mail : contact@dil.net

WEBSITES

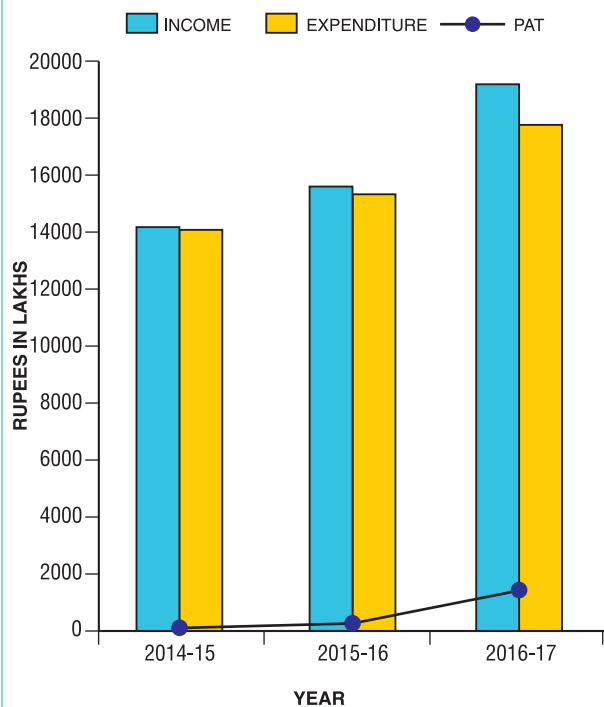
www.dil.net
www.thaneone.com
www.fermentabiotech.com
www.whitestripes.biz
www.zelalife.com

REGISTRAR AND TRANSFER AGENTS

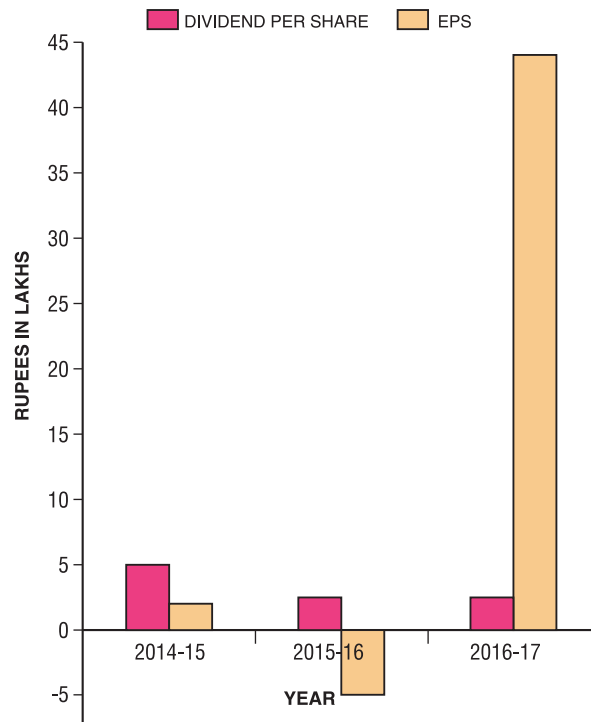
Link Intime India Private Limited
C 101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083, Maharashtra, India.
Tel No : +91 22 49186000
Fax No : +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

FINANCIAL HIGHLIGHTS - CONSOLIDATED

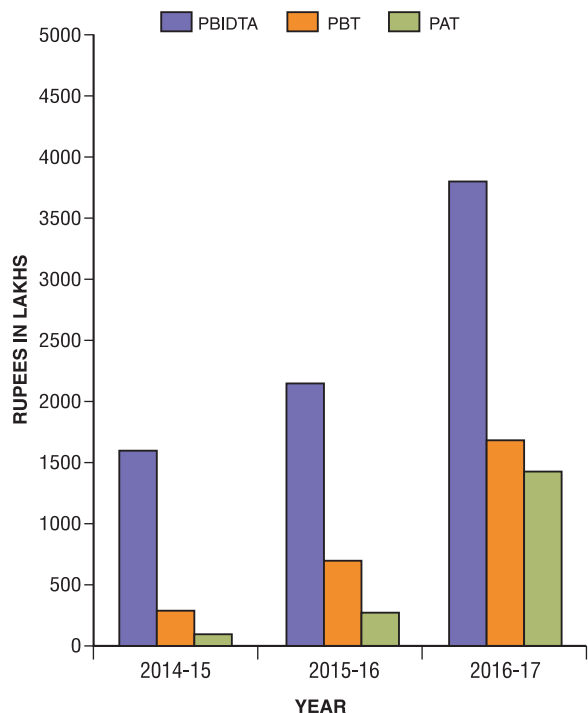
INCOME & EXPENDITURE



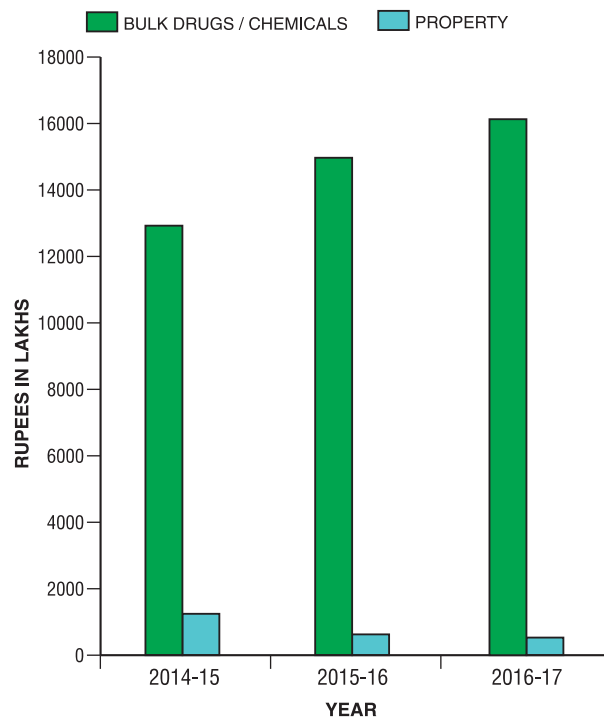
DIVIDEND PAYOUT (DIL LTD)



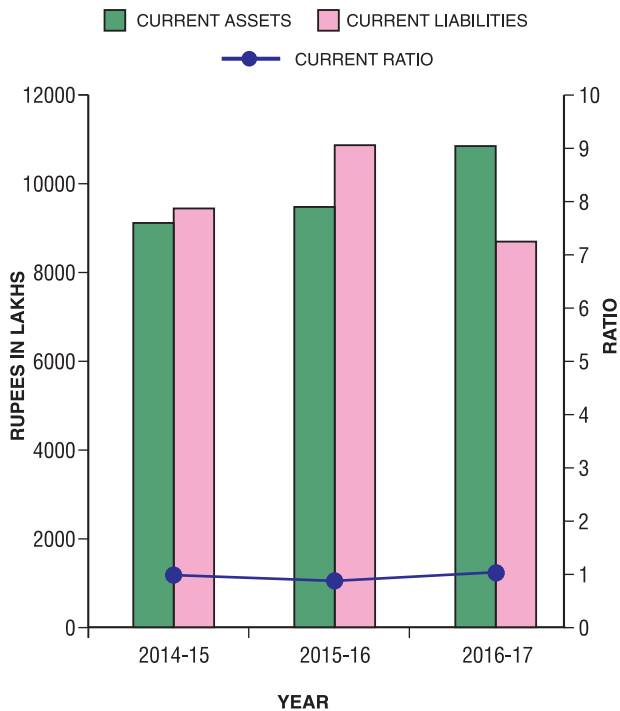
PROFITS



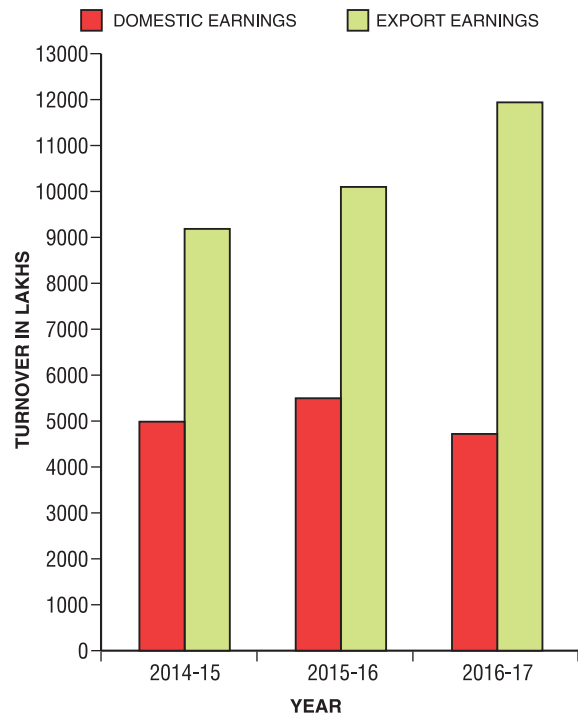
SEGMENT WISE REVENUE



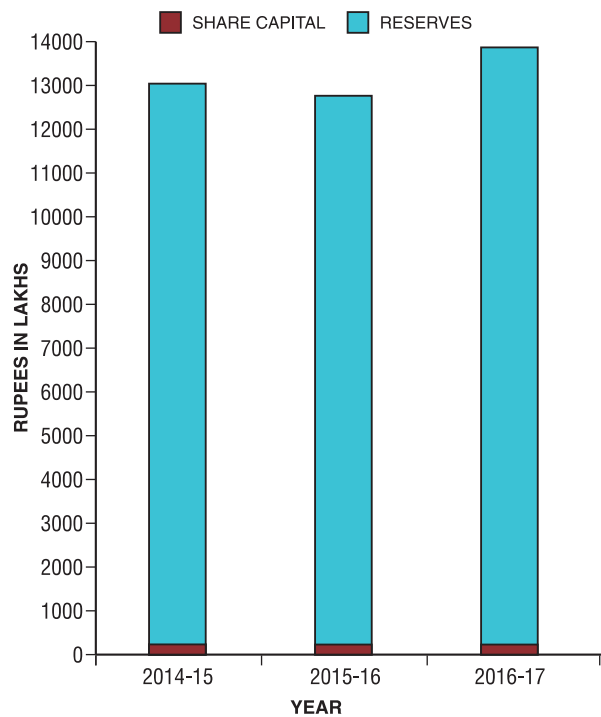
CURRENT RATIO



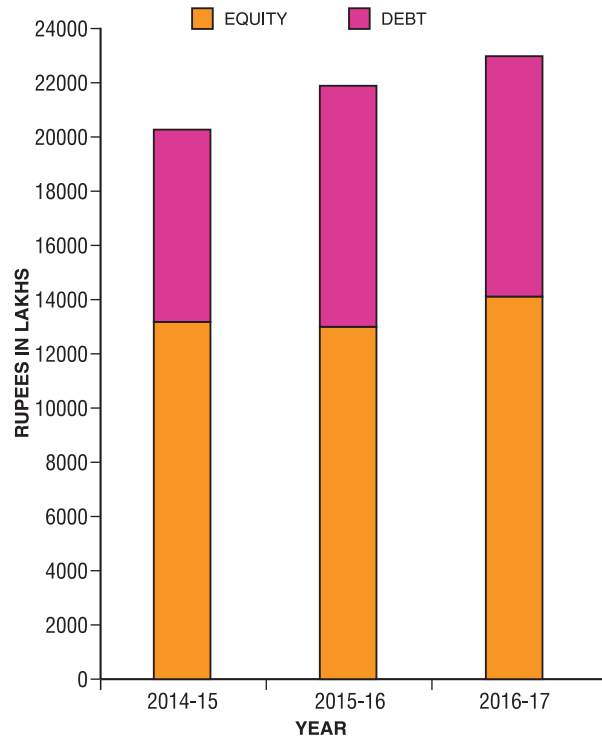
DOMESTIC & EXPORT EARNINGS (Sales)



SHAREHOLDERS' FUND

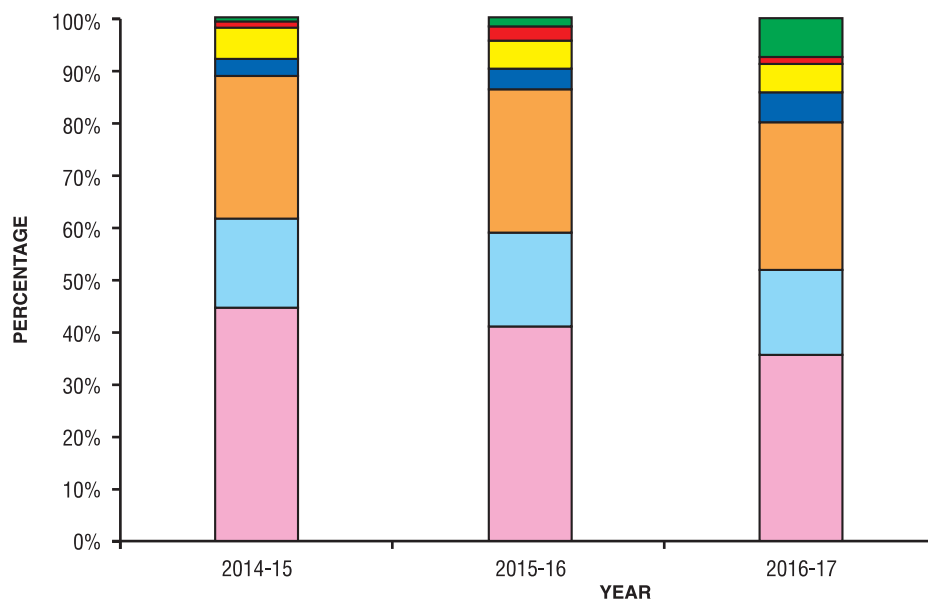


DEBT & EQUITY

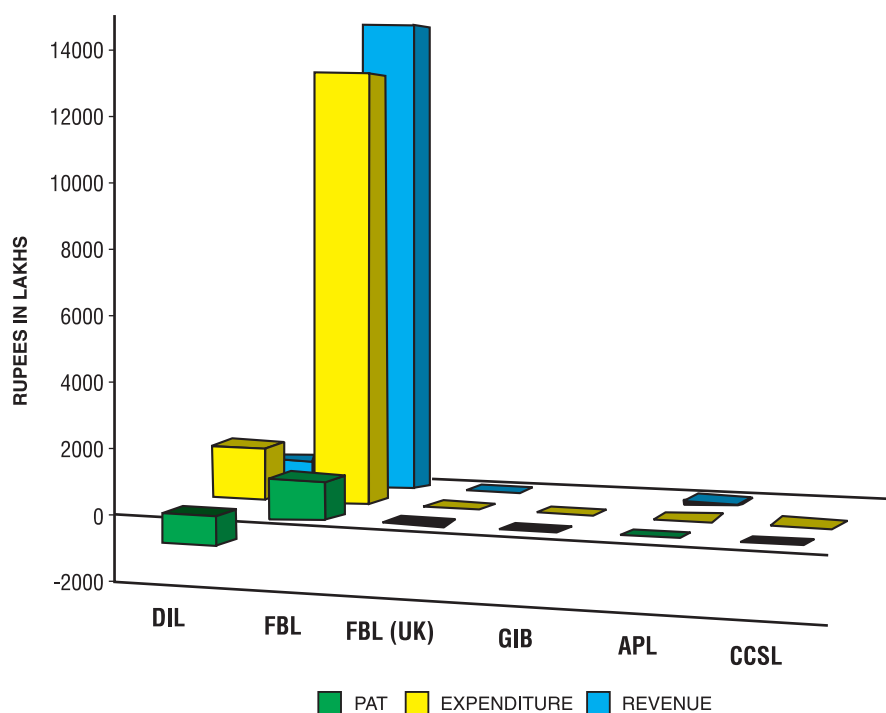


DISTRIBUTION OF REVENUE 2016-17

PAT TAX DEPRECIATION FINANCE COST-SCH.VI OTHER EXPENSES EMPLOYEE COST MATERIAL COST



PERFORMANCE OF DIL & ITS SUBSIDIARY COMPANIES 2016-17



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DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Regd. Office: A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W)-400 610, Maharashtra, India.

Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

NOTICE

Notice is hereby given that the Sixty-Fifth Annual General Meeting of the Members of DIL LIMITED will be held at Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra on Friday, September 29, 2017 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, Reports of the Board of Directors and the Auditors thereon; and
 - (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 along with Report of the Auditors thereon.
2. To declare dividend of ₹ 2.50 per equity share of ₹ 10 each for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Satish Varma (DIN – 00003255), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No: 117366W/W-100018) be and is hereby appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of 65th Annual General Meeting (AGM) till the conclusion of 70th AGM, in

place of the retiring Auditors, SRBC & Co. LLP, Chartered Accountants (Firm Registration no. 324982E/E300003), subject to ratification of their appointment by the Members at every AGM of the Company during the above term, on such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors.

By Order of the Board of Directors of DIL Limited

Srikant N. Sharma
Company Secretary
Membership No: FCS - 3617

Thane
August 11, 2017.

Registered Office:
A-1601, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (W) – 400 610,
Maharashtra, India.

NOTES:

1. No explanatory statement pursuant to section 102 of the Companies Act, 2013 ('Act') is annexed as there is no special business set out in the Notice.
2. 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 STAMPED, COMPLETED, AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE 65TH ANNUAL GENERAL MEETING (AGM). A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A Member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person cannot act as a proxy for any other Member. Proxy submitted on behalf of any company/entities, must be supported by an appropriate resolution/ authority letter, as applicable.
3. During the period beginning 24 hours before the time fixed for the commencement of the AGM till the conclusion of the AGM, a Member would be entitled to inspect the proxies received by the Company, between 10.00 a.m. to 5.00 p.m., provided that not less than three (3) days' prior notice in writing is given to the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2017 to Friday, September 29, 2017 (both days inclusive) for the purpose of payment of final equity dividend for the financial year 2016-17.
5. Subject to the provisions of the Act, the final equity dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after Thursday, October 5, 2017 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 Friday, September 22, 2017 and
 - (b) as beneficial owners as at the end of business hours on Friday, September 22, 2017 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialised form.
6. Members are requested to avail National Electronic Clearing Service (NECS) facility for quick remittance of dividends in order to avoid postal delay and fraudulent interception of dividend warrants. NECS mandate form is available at the Company's Registrar and Transfer Agent (R&T Agent) website www.linkintime.co.in or Members may write to the R&T Agent for the same.
7. Unclaimed final equity dividend (2008-09) and interim equity dividend (2009-10) have already been transferred to Investor Education and Protection Fund (IEPF). Members are hereby informed that pursuant to sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as may be amended from time to time (IEPF Rules), dividends which are not encashed/ claimed by Members for a period of seven consecutive years shall be transferred to IEPF. IEPF Rules mandate the companies to transfer the shares of Members whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of unclaimed dividends and its due dates for transfer to IEPF are available on the website of the Company i.e. www.dil.net/Unpaid-Dividend.html. Members who have not claimed their dividend so far in respect of the unclaimed dividend(s) due for transfer to IEPF are requested to write to the Company's R&T Agent, well in advance of the respective due dates. The Members whose dividend has been transferred to IEPF can now claim their dividend from the IEPF Authority by following the 'Procedure to claim Refund' as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

In accordance with IEPF Rules, the Company has sent intimation to all the Members whose shares are due to be transferred to the IEPF Authority and has also published newspaper notice. The Company is required to transfer all the said shares to the demat account of the IEPF Authority in accordance with IEPF Rules as per the 'due date' as may be notified by the Ministry of Corporate Affairs in due course.

8. The profile of the Director recommended for reappointment at the AGM under item no. 3 of the Notice, as required by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) as specified by the Institute of Company Secretaries of India and approved by the Central Government, is furnished in the Corporate Governance Report.
9. (a) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection at the venue of the AGM.
(b) All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days i.e. Monday to Friday, up to the date of the 65th AGM of the Company.
10. Members holding shares in physical form can avail the nomination facility by filing Form SH-13 prescribed under Section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or with its R&T Agent. In case of shares held in dematerialised form, the nomination may be lodged with the Member's Depository Participant. The above form is available at the R&T Agent's website or will be made available on request.
11. The 65th Annual Report along with the Notice of the AGM, Remote e-voting procedure, Ballot Form, Attendance Slip and Proxy Form is being sent: (a) by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless such Member has requested for a physical copy of the same. (b) to those Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode(s). To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent.
12. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, read with Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide the Members with the facility of remote e-voting provided by Central Depository Services Limited (CDSL) through which the Members may exercise their votes electronically on all resolutions set forth in this Notice.

The instructions for remote e-voting ('e-voting') are as under:

- (A) Members are requested to follow the steps as mentioned in point (i) to (xxi) on page no. 141 and 142 of Annual Report and Other Instructions mentioned in point 12(B) below to cast their votes electronically (e-voting) and through ballot form.
- (B) Other instructions for e-voting:
 - i. The e-voting period commences on Tuesday, September 26, 2017 (9.00 a.m. IST) and ends on Thursday, September 28, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on Friday, September 22, 2017, may cast their vote through remote e-voting facility. The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on September 28, 2017. Once the vote on a resolution is cast by the Member, the same shall not be allowed to change subsequently. A Member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again.

- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 22, 2017.
 - iii. In case the Members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under 'Help Section' or write an email to helpdesk.evoting@cdslindia.com.
 - iv. Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed in page no. 139 of the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. V. N. Deodhar (Membership No.FCS 1880), Proprietor of V.N. Deodhar & Co., Practising Company Secretaries, at the Registered Office of the Company not later than Thursday, September 28, 2017 (5.00 p.m. IST). Ballot Form received after the said date shall be treated as invalid.
 - v. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot Form. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
 - vi. Mr. V.N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and Ballot forms in a fair and transparent manner.
 - vii. The facility for voting through Ballot Forms will be made available at the AGM. The Members attending the AGM and have not voted will be able to exercise their voting right at the AGM through Ballot Forms.
 - viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
 - ix. The results declared along with the Scrutinizer's Report will be placed on the Company's website www.dil.net and on the website of CDSL www.cdslindia.com within three days of passing of resolutions at the 65th AGM of the Company and communicated to BSE Limited, where the shares of the Company are listed.
13. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company Secretary at the Registered Office of the Company at least one week before the date of the 65th AGM, in order to make the information available at the AGM.
14. Members / proxies are requested to bring their copies of the Annual Report along with the attendance slip, duly filled in, for attending the AGM.
15. The route map (including the prominent landmark) for easy location of the AGM venue is provided on page no 138 of the Annual Report.

Thane
August 11, 2017.

By Order of the Board of Directors of DIL Limited

Registered Office:
A-1601, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (W) – 400 610, Maharashtra, India.

Srikant N. Sharma
Company Secretary
Membership No.: FCS - 3617

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors are pleased to present the 65th Annual Report along with the Audited financial statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Amount - ₹ in Lakhs)

| | STANDALONE RESULTS | | CONSOLIDATED RESULTS | |
|---|--------------------|-------------|----------------------|-------------|
| | 2016 - 2017 | 2015 - 2016 | 2016 - 2017 | 2015 - 2016 |
| Total Revenue | 3,104.41 | 728.14 | 19,197.17 | 15,606.22 |
| Total Expenditure | 2,592.74 | 1,649.48 | 17,483.37 | 14,910.14 |
| Profit / (loss) before extraordinary items and tax | 511.67 | (921.34) | 1,713.80 | 696.08 |
| Prior period adjustment | 16.15 | — | 33.22 | — |
| Profit before tax ('PBT') | 495.52 | (921.34) | 1,680.58 | 696.08 |
| Less : Provision for tax (including deferred tax) | (32.75) | (7.62) | 255.67 | 424.82 |
| Profit after tax ('PAT') | 462.77 | (913.72) | 1,424.91 | 271.26 |
| Minority interest | — | — | (267.64) | (329.81) |
| Share of interest in profit/(loss) of associates | — | — | (147.47) | (54.87) |
| Profit for the year | 462.77 | (913.72) | 1,009.80 | (113.42) |
| Balance brought forward | 2,723.56 | 3,706.28 | 5,806.36 | 5,988.78 |
| Balance for appropriations | 3,186.33 | 2,792.56 | 6,816.16 | 5,875.36 |
| Appropriations | | | | |
| Proposed Dividend | * | (57.33) | * | (57.33) |
| Dividend Distribution Tax | * | (11.67) | * | (11.67) |
| Balance in Statement of Profit and Loss account | 3,186.33 | 2,723.56 | 6,816.16 | 5,806.36 |

* Dividend at the rate of 25% (₹ 2.50 per equity share of ₹ 10 each) after close of balance sheet date as proposed by the Board of Directors, subject to approval of shareholders.

RESULTS FROM OPERATIONS

In financial year 2016-17 ('FY 2016-17'), the Revenue on a Standalone basis showed a substantial growth, aggregating to ₹ 3,104.41 lakhs, compared to ₹ 728.14 lakhs in the previous financial year 2015-16 ('FY 2015-16'). Profit after tax grew to ₹ 462.77 lakhs in FY 2016-17 as against a loss of ₹ (913.72) lakhs in FY 2015-16.

On a consolidated basis, the Company revenue increased by 23% to ₹ 19,197.17 lakhs in FY 2016-17 as compared to ₹ 15,606.22 lakhs in FY 2015-16. Profit after tax for FY 2016-17 was ₹ 1,424.91 lakhs, as against ₹ 271.26 lakhs in FY 2015-16.

Your Directors propose to retain ₹ 462.77 lakhs in the Statement of Profit and Loss as balance carried to the Balance sheet for the FY 2016-17. No amount was transferred to the General Reserve for the said financial year.

DIVIDEND

Your Directors are pleased to recommend an equity dividend of ₹ 2.50 per equity share (25%) of ₹ 10 each in FY 2016-17 (Previous year ₹ 2.50 per equity share). The equity dividend, if approved by the Members at the 65th Annual General Meeting ('AGM'), will result in a cash outflow of ₹ 69 lakhs including dividend distribution tax.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for FY 2016-17 include financials of its subsidiaries, joint venture entities and associate companies (collectively referred as 'Subsidiaries/ Associates') i.e. Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, Aegean Properties Limited, CC Square Films Limited (Subsidiaries), Vasko Glider s.r.o. and Agastya Films LLP (joint venture entities); Health and Wellness India Private Limited and Zela Wellness Private Limited (associate companies). The consolidated financial statements of the Company and its Subsidiaries/ Associates entities are prepared in accordance with the relevant Accounting Standards (AS) i.e. AS 21, AS 23 and AS 27, issued by the Institute of Chartered Accountants of India, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('Act'), shall form part of this Annual Report.

SUBSIDIARY COMPANIES

The individual financial statements of the Company's Subsidiaries/ Associates have not been attached to the financial statements of the Company for FY 2016-17. The financial information of the Company's Subsidiaries/ Associates provided in this section may be read along with the information provided under the heading 'Consolidated Financial Statements' in this report. In accordance with the provisions of section 129 (3) of the Act, read with Rule 5 and Rule 8 of the Companies (Accounts) Rules, 2014 [as amended from time to time], a separate statement containing salient features of the financial statements of Company's Subsidiaries/ Associates in Form AOC I is attached to this Board's report as **Annexure II** and forms part of this Board's report.

The financial statements of the Company's Subsidiaries/ Associates will be kept open for inspection at the

registered office of the Company, from 10.00 a.m. to 5.00 p.m. on all working days i.e. Monday to Friday, up to the date of the 65th AGM of the Company.

During the year under review, no company has become or ceased to be a subsidiary, joint venture entity or associate company. However, the High Court in Prague, Czech Republic passed an order dated June 12, 2017 for dissolution of Vasko Glider s.r.o.

The standalone and consolidated financial statements of the Company, along with the financial statements of the Company's Subsidiaries/ Associates have been uploaded on the website of the Company (www.dil.net). Members interested in obtaining copies of the annual financial statements of each of the Company's Subsidiaries/ Associates, may write to the Company Secretary at the registered office address of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company during FY 2016-17 mainly include:

- Ongoing Strategic investments in pharmaceuticals and wellness management;
- Pharmaceuticals; Research, development and product delivery across biotechnology and environmental solutions operations are pursued through its subsidiary, Fermenta Biotech Limited (FBL); and
- Property rentals and production of motion pictures.

This MD&A section as discussed below includes the management perspective and operational performance of the company & its subsidiary - Fermenta Biotech Limited (FBL).

FBL: PHARMACEUTICAL, BIOTECH AND ENVIRONMENTAL SOLUTIONS

Industry Perspective:

In terms of Gross Domestic Production, India's economic growth registered 7.10% in the FY 2016-17 as against 7.60% in the previous fiscal year, mainly due to overall economic conditions and demonetization. With the implementation of various economic measures and balanced budget of 2017-18 by the Government, the growth of Indian economy is poised to improve in due course.

India's pharmaceutical sector accounts approximately 2.40% of the global pharmaceutical industry by value and 10% by volume. By 2020, India is likely to be among the top leading pharmaceutical markets by incremental growth and in size globally. The global Vitamin D3 market is estimated at US\$ 1.80 billion by 2017 -18, growing at CAGR of 11% till 2020.

Performance:

In FY 2016-17, FBL on a standalone basis, recorded a revenue of ₹ 16,131.33 lakhs, [₹ 14,973.46 lakhs in the previous year]. Profit after tax was ₹ 989.29 lakhs in FY 2016-17, compared to ₹ 1,188.92 lakhs for FY 2015-16.

FBL on a consolidated basis recorded revenue of ₹ 16,131.32 lakhs in FY 2016-17 (Previous year ₹ 14,974.60 lakhs). The profit after tax was ₹ 957.94 lakhs in FY 2016-17 as against ₹ 1,180.76 lakhs in the previous year.

Opportunities and Outlook:

Analysts forecast the API market in India to grow at a CAGR of 10.76% over the period 2014-19. Low cost of production and R&D expenditures, coupled with affordable health care, better health insurance coverage and increased number of drug master filings from India being registered in the US are positive indications for Indian APIs to emerge as a leading global player. The Vitamin D3 domestic formulation market reported double-digit growth in a market estimated more than ₹ 500 Crore. Various initiatives undertaken by countries globally to ensure Vitamin D fortification of essential food and beverage products, will lead to increase demand in terms of Vitamin D, sourced from globally recognized manufacturers such as FBL.

Between 2016 and 2021, the global biotechnology revenue is estimated to rise to US\$ 314.7 billion, due to larger global investments in biotechnology and a growing geriatric population in developed economies. The biotechnology industry in India is growing at a CAGR of 20%. With the growth likely to continue, the Indian biotechnology industry is expected to touch to US\$ 11.6 billion by 2017, driven by a range of factors such as growing demand, intensive R&D activities and strong government initiatives. India constitutes around 8% of the total global generics market, by volume, indicating a huge untapped

opportunity in the sector.

Estimated at a market size of over \$4 billion, the Indian water and wastewater market is growing at a steady rate of 10-12 percent every year. The waste management sector in India has the potential to be worth US\$13 billion by 2025, driven by the initiatives of the government.

Challenges and concerns

India has the potential of becoming the leading global innovation hub for biotech and preferred outsourcing destination for contract research and manufacturing for the world market. However, various initiatives undertaken by our South Asian competitor is steering these advantages in their favour especially in terms of business friendly regulatory policies and infrastructure opportunities. Gaps in infrastructure, policy measures and funding are the primary challenges in the Indian biotechnology industry. Unless these shortcomings are addressed by the Government in a deft manner, the potential of India being a global biotech innovation hub, will not be achieved.

Export of APIs is often influenced by several factors like strict regulatory standards across countries, which sometimes result in moderating their production costs and improve competitiveness, high standards of plant and regulatory scrutiny. Besides, requirements of customers are increasingly demanding and matching with low priced APIs of our South Asian competitor are other challenges.

Flawed disposal system, unplanned structure and non-compliance of accepted specifications are the contributing factors for dismal waste water management system in India. Amongst other, weak enforcement of environmental laws, is a major concern for water pollution vis a vis waste water management.

In the backdrop of changing economic conditions, business opportunities and challenges, FBL is adapting to current market dynamics and positioning itself for growth through portfolio transformation, cost-optimisation measures, and sharpened focus on quality parameters and geographic markets.

DIL: PROPERTY DEVELOPMENT AND RENTALS

Industry Perspective:

Over the past few years, the real estate industry has been steadily contributing to the growth of Indian

economy and has emerged as one of the largest employment provider. The real estate industry also witnessed a significant growth in the private equity investments especially in the year 2016-17 and the industry is expected to grow to US\$ 180 billion in next three years. With the introduction of new legislation like the Real Estate (Regulation & Development) Act, 2016 ('RERA') and initiatives reflected in the Union budget 2017-18, the Government intentions are clear to achieve transparency, boost robust growth, to attract more foreign direct investments and to enhance operational efficiencies in this sector.

Performance:

The Directorate of Industries, District Industries Centre, Thane has granted IT/ITES registration certificate to your company's first IT/ITES building, Thane One on May 19, 2017. The recognition of Thane One as a registered IT/ITES building is a reflection of your Company's perseverance and commitment to provide facilities to the occupants of Thane One to carry out their operations in a more efficient manner. As on the date of this report, your company has successfully completed registration of approximately 80% of the rental space of Thane One to various multi-national and leading Indian entities.

In FY 2016-17, your Company reported a rental income of ₹ 589.19 lakhs as against ₹ 613.31 lakhs in the previous year. Drawn out processes of finalization of prospective occupants and its successful closure of license agreements and no rent fit out period granted to new licensees in Thane One building were key reasons for the drop in the rental income in FY 2016-17.

Opportunities and Outlook:

The initiatives and development of IT/ITES industry undertaken by the Government of Maharashtra has been seen as decisive thrust area for Maharashtra and the IT/ITES sector. Infrastructure, fiscal incentives, supportive policies and industry friendly regulations are the driving factors for the growth of IT/ITES industry, thus making Maharashtra a preferred destination for investment in IT/ITES industry.

In the past few years, Mumbai's realty sector is facing 'high pricing and low sales' market conditions. As an off shoot, Thane is emerging as a preferred and viable alternative for back office service and technology

entities. Proposed expansions of road infrastructure projects in Thane will further improve the connectivity between eastern and western highways (of Mumbai), and Navi Mumbai. Large working class population, better connectivity to Mumbai and Navi Mumbai, viable alternative to Mumbai's high realty cost, better infrastructures are the deciding factors for making Thane a preferred destination for IT/ITES including banking, financial services and insurance entities.

Challenges and Concerns:

The real estate industry faced temporary challenges to meet newly introduced legislations like the RERA and demonetization. Corporates opting for budget friendly locations is a concern to keep the office space sector buoyant in Thane. Due to rapid automation of office operations and co-working options, the demand for employees and office space is posing new challenges.

DIL: ENTERTAINMENT DIVISION

(WHITE STRIPES ENTERTAINMENT):

Industry Perspective:

In terms of revenue, the film industry had gross box office collections of \$2.10 billion which is expected to grow at 11% Compound Annual Growth Rate (CAGR) reaching \$3.7 billion by 2020. In 2016-17, the film sector saw a growth of 3% to reach Rs 142.3 billion.

Performance:

In FY 2016-17, White Stripes, the entertainment division of your Company completed the production of a Hindi film which is a joint venture with a leading production house. Your Company is in the process of collaborating with a distribution company to release the Hindi film by this year. Your Company continues to hold onto the strategic alliance with an international distribution company for the remake of a Hindi film project.

Opportunities and Outlook:

The Films segment is expected to bounce back and is forecasted to grow at a CAGR of 7.7 % between 2017 and 2021, as the revenue streams broaden, with the expansion of overseas markets, increase in the depth in regional content and rise in acquisitions of digital content by Over-the-Top (OTT) platforms which will offset this decline and is expected to drive growth

in the future. The Company is mainly looking to produce films with good content and to expand itself in the digital space in order to expect good returns in the future.

Concerns and challenges:

Despite being the largest film industry in the world in terms of number of films produced every year, the Indian film industry lags behind other countries in terms of revenues. The Indian film industry needs to scale up film tourism, skill enhancement, updating current technology and countering piracy to achieve growth and profitability in the coming years.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Internal Controls Systems including internal financial control are an integrated part of the risk management process. Major risks identified by the management and business functions are systematically addressed through mitigating actions on a continuing basis. In order to identify and mitigate risks, your Company has developed and implemented risk management policy and maintains adequate internal control systems, commensurate with its size, nature of operations, reporting(s) and compliance with applicable laws and Company's procedures. During the year under review, the Company's Internal auditors, M. M. Nissim & Co., Chartered Accountants, conducted and reported the effectiveness and efficiency of these systems including the adherence to procedures as per the policies of the Company.

The Company has a well-staffed, experienced and qualified finance department which plays an important role in implementing and monitoring the internal control procedures 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 along with the adequacy and effectiveness of internal control systems and suggest improvements and corrective actions, wherever necessary.

HUMAN RESOURCES

The Company enjoys cordial relation with its employees across all locations.

The provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') read with Section 197(12)

of the Act are not applicable, as no employee of the Company has received remuneration equal to or exceeding the limits specified therein, during the year under review.

The information required under Rule 5(1) of the aforesaid Rules read with Section 197 (12) of the Act in respect of ratio of the remuneration of each director to the median employee's remuneration and other details (collectively referred as 'Employee Information') forms part of this report. However, in terms of Section 136 of the Act, this report including financial statements is being sent to the Members and others entitled thereto, excluding the Employees Information. Members can inspect the said information at the Registered Office of the Company during business hours on any working day i.e. Monday to Friday up to the date of this 65th AGM or can obtain its copy by writing to the Company Secretary at the registered office address of the Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company continues to provide a safe working environment for its employees. The Company has framed a code on 'Redressal of Grievances Regarding Sexual Harassment' and has constituted an 'Internal Complaints Committee' for redressal of grievances as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. There were no cases / grievances reported or pending during the FY 2016-17.

INFORMATION TECHNOLOGY:

Information Technology (IT) continues to support business operations in the Company through continued investment in the enterprise wide ERP platform. The Company's IT Team manages Company's various locations with state-of-the-art technology and has been incorporating new technologies into the system. In addition, mobility solution and support has played a key role in achieving improved deliverables in Company's operations and objectives. Your Company continues to drive resilience through targeted remediation of high risk operating systems, applications and its related areas. Annual Application & Control Audits are undertaken to ensure consistent remediation of any business and process risks. Alongside the investment in technology, the Company is also

improving its service management processes to prevent any defects in the IT environment and to enable faster resolution of any such incidents with minimum business disruption. Your Company has also ensured that the GST related readiness is complete on the technology before the scheduled date.

DEPOSITS

In FY 2016-17, your Company has not accepted any fixed deposits and no principal or interest remains unpaid or unclaimed as on March 31, 2017.

CREDIT RATING

During the year under review, the Company has received 'Long Term' Credit rating of 'CARE BB+/Stable' as reaffirmed by CARE. This rating reflects moderate risk of default regarding timely servicing of financial obligations.

DIRECTORS

Independent Directors:

Independent Directors have made declarations to the Company, confirming that the conditions of independence laid down in sub section 6 of section 149 of the Act and Regulation 25 of the SEBI Listing Regulations are duly complied.

Retirement by rotation:

Mr. Satish Varma (DIN – 00003255) retires by rotation at the 65th AGM and being eligible, offers himself for re-appointment. Brief profile of Mr. Satish Varma is provided on page no. 28 of this Annual Report.

Key Managerial Personnel:

Mr. Sumesh Gandhi (CA Membership no. 107491) has been appointed as Chief Financial Officer (Key Managerial Personnel) as per provisions of the Act, in place of Mr. Keshav H. Kashid (CA Membership no. 17362) who has been designated as President – Finance of the Company, both effective from February 16, 2017.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Details of the annual performance evaluation have been provided in the Corporate Governance Report attached as **Annexure III** to this Board's report.

AUDITORS

Under Section 139 of the Act and rules made

thereunder, it is mandatory to rotate the Statutory Auditors of the Company on completion of the maximum term permitted under the said Section.

Provisions of section 139 of the Act read with rule 6 of the Companies (Audit and Auditors) Rules, 2014 restrict reappointment of SRBC & Co. LLP, Chartered Accountants (Firm Registration no. 324982E/E300003) as Statutory Auditors of the Company for the financial year 2017-18 i.e. in view of the restriction mentioned in rule 6 of the said Rules regarding number of consecutive years for which an audit firm has been functioning as statutory auditors of a company. Accordingly, SRBC & Co. LLP is not eligible for re-appointment as Statutory Auditors of the Company for the financial year 2017- 18.

Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No: 117366W/W-100018) has expressed its willingness to be appointed as Statutory Auditors of the Company and to hold office from the conclusion of this 65th AGM until the conclusion of 70th AGM of the Company, in place of the retiring Auditors, SRBC & Co. LLP subject to ratification of their appointment by the Members at every AGM of the Company during the above term.

SECRETARIAL AUDIT REPORT

The Board of Directors has appointed Mr. V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, as Secretarial Auditor of the Company for FY 2016-17 as per the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Auditor has submitted an unqualified report as annexed to this Board's report as **Annexure IV** and forms part of this Board's report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of sub-section 5 of Section 134 of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the annual accounts for the financial year ended March 31, 2017 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 and loss 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, 2017 have been prepared on a 'going concern basis.
- v) Proper internal financial controls are devised to ensure compliance with the provisions of all applicable laws and that such internal financial controls were adequate and operating effectively.
- vi) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

The extract of the annual return in form MGT-9 is enclosed to this Board's Report as **Annexure I** and forms part of this Board's Report.

CODE FOR PREVENTION OF INSIDER TRADING

Pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015, your Company has adopted (a) Code of Conduct to regulate, monitor and report trading by Insiders, applicable to Promoters, Promoter's Group, Directors and such Designated Employees who are expected to have access to unpublished price sensitive information of the Company; and (b) The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).

The aforesaid Codes are displayed on the Company's website i.e. <http://www.dil.net/Company-Policies.html>.

NOMINATION AND REMUNERATION POLICY

In terms of Section 134 and 178 of the Act, Company's Nomination and Remuneration Policy ('Remuneration

Policy') is annexed to this Board's report as **Annexure V** and is also available on Company's website at <http://www.dil.net/Company-Policies.html>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or made investments covered under the provisions of Section 186 of the Act during FY 2016-17.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2016-17 were on an arm's length basis and in the ordinary course of business. During FY 2016-17, the Company has not entered into any material related party transaction. In view of this, disclosure in form AOC-2 is not applicable.

The brief details of the Company's policy on dealing with Related Party transactions (RPT Policy) are covered in Corporate Governance report. The RPT policy is available on Company's website at <http://www.dil.net/Company-Policies.html>

INFORMATION IN ACCORDANCE WITH PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013:

- (A) Conservation of energy and Technology absorption-

Information with respect to Conservation of energy and technology absorption is not applicable to the present activities of the Company.

- (B) Foreign Exchange Earnings and Outgo-

During FY 2016-17, there were no foreign exchange earnings. Details of foreign exchange outgoings are provided in Note no.38 to the Financial Statements.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, the Corporate Governance Report along with the Corporate Governance Certificate issued by Mr V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, is provided as **Annexure II** and forms part of this Report.

Details of number of Board meetings, composition of the Audit Committee and establishment of Vigil Mechanism as required under the Act are provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

No CSR spending was required in FY 2016-17 in terms of Section 135 of the Act. Hence, disclosure is not applicable as per Companies (Corporate Social Responsibility Policy) Rules, 2014.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in business and in the nature of business of your Company during the FY 2016-17.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations during FY 2016-17.

SHIFTING OF THE REGISTERED OFFICE OF THE COMPANY

During the FY 2016-17, the Company shifted its registered office to A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra, India, along with all statutory registers, records and documents with effect from January 2, 2017.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation to the employees of the Company at all levels, Members, bankers, financial institutions, regulatory bodies and other business associates for their support during the year under review.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions and/or in this report 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

Sanjay Buch
Chairman

Thane
August 11, 2017.

Registered Office :
A-1601, Thane One,
DIL Complex,
Ghodbunder Road, Majiwade,
Thane (West) – 400 610,
Maharashtra, India.

Annexure I:

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| 1 | CIN | L99999MH1951PLC008485 |
| 2 | Registration Date | 01/05/1951 |
| 3 | Name of the Company | DIL LIMITED |
| 4 | Category / Sub-Category of the Company | Category: Company limited by shares Sub-category: Indian non-government company |
| 5 | Address of the Registered office and contact details | A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West), Maharashtra – 400 610, India Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net |
| 6 | Whether listed company: Yes / No | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India Tel: 91 22 49186000 Fax: 91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Rental and leasing activities | 68100 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section* |
|--------------------------------|---|--|--|---------------------------|---------------------|
| Holding Company: | | | | | |
| 1. | DVK Investments Private Limited # | U67120MH2003PTC141695 | Holding Company | 53.91% | Section 2(46) |
| Direct Subsidiaries: | | | | | |
| 2 | Aegean Properties Limited # | U45200MH1995PLC084766 | Subsidiary Company | 100% | Section 2(87) |
| 3 | CC Square Films Limited # | U93000MH2011PLC212089 | Subsidiary Company | 100% | Section 2(87) |
| 4 | Fermenta Biotech Limited (FBL) A-1501, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W), Maharashtra 400610 | U99999MH1986PLC134021 | Subsidiary Company | 70.15% (refer Note below) | Section 2(87) |
| Step down Subsidiaries: | | | | | |
| 5. | Fermenta Biotech (UK) Limited Charter House, 8-10 Station Road, Manor Park, London-E12 5BT | Foreign Company Registration No.: 3308303 | Subsidiary Company [100% subsidiary of FBL] | – | Section 2(87) |
| 6. | G. I. Biotech Private Limited A-1501, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W), Maharashtra 400 610 | U24230MH2004PTC148220 | Subsidiary Company [62.50% subsidiary of FBL] | – | Section 2(87) |
| Associate Entities: | | | | | |
| 7 | Health and Wellness India Private Ltd. Zela Health Clubs, No. 133 & No. 133/1, Residency Road, Bangalore, Karnataka 560025 | U85100KA2008PTC047190 | Associate Company | 47.15% | Section 2(6) |
| 8 | Zela Wellness Private Limited 9th Floor, The Residency, 2, Residency Road, Bangalore, Karnataka 560025 | U74900KA2012PTC063026 | Associate Company | 29.50% | Section 2(6) |
| 9 | Vasko Glider s.r.o. Kladno, Cyrila Boudy 1444, Post code – 27201, Czech | Foreign Company ID: 27217027 | Joint Venture Entity | 50% | Section 2(6) |
| 10 | Agastya Films LLP# | AAF-1964 | Joint Venture Entity | 50% | Section 2(6) |

* Under the Companies Act, 2013

Registered office address at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W), Maharashtra - 400610

Note: Includes shares issued by FBL to FBL ESOP Trust pending implementation of ESOP plan.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity Share Capital)

i) Category-wise Share Holding

| Category of Members | No. of Shares held at the beginning of the year (01.04.16) | | | | No. of Shares held at the end of the year (31.03.17) | | | | % Change during the year |
|--|--|------------|------------------|-------------------|--|------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1,99,085 | – | 1,99,085 | 8.68 | 1,99,085 | – | 1,99,085 | 8.68 | – |
| b) Central Govt | – | – | – | – | – | – | – | – | – |
| c) State Govt | – | – | – | – | – | – | – | – | – |
| d) Bodies Corp. | 12,36,235 | – | 12,36,235 | 53.91 | 12,36,235 | – | 12,36,235 | 53.91 | – |
| e) Banks / FI | – | – | – | – | – | – | – | – | – |
| f) Any Other | – | – | – | – | – | – | – | – | – |
| Sub-total (A)(1) | 14,35,320 | – | 14,35,320 | 62.59 | 14,35,320 | – | 14,35,320 | 62.59 | – |
| (2) Foreign | – | – | – | – | – | – | – | – | – |
| a) NRIs – Individuals | – | – | – | – | – | – | – | – | – |
| b) Other – Individuals | – | – | – | – | – | – | – | – | – |
| c) Bodies Corp. | – | – | – | – | – | – | – | – | – |
| d) Banks / FI | – | – | – | – | – | – | – | – | – |
| e) Any Other | – | – | – | – | – | – | – | – | – |
| Sub-total (A)(2) | – | – | – | – | – | – | – | – | – |
| Total shareholding of 'Promoter (A)=(A)(1)+(A)(2) | 14,35,320 | – | 14,35,320 | 62.59 | 14,35,320 | – | 14,35,320 | 62.59 | – |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | – | – | – | – | – | – | – | – | – |
| b) Banks / FI | 10 | 7 | 17 | 0 | 10 | 7 | 17 | 0 | – |
| c) Central Govt | – | – | – | – | – | – | – | – | – |
| d) State Govt(s) | – | – | – | – | – | – | – | – | – |
| e) Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| f) Insurance Companies | – | – | – | – | – | – | – | – | – |
| g) FIs | – | – | – | – | – | – | – | – | – |
| h) Foreign Venture Capital Funds | – | – | – | – | – | – | – | – | – |
| i) Others :Foreign Bank | – | 157 | 157 | 0.01 | – | 157 | 157 | 0.01 | – |
| Sub-total (B)(1) | 10 | 164 | 174 | 0.01 | 10 | 164 | 174 | 0.01 | – |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 92,490 | 1,167 | 93,657 | 4.08 | 82,336 | 1,167 | 83,503 | 3.64 | (0.44) |
| ii) Overseas | – | – | – | – | – | – | – | – | – |

| Category of Members | No. of Shares held at the beginning of the year (01.04.16) | | | | No. of Shares held at the end of the year (31.03.17) | | | | % Change during the year |
|--|--|---------------|------------------|-------------------|--|---------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| b) Individuals | | | | | | | | | |
| i) Individual Members holding nominal share capital upto ₹ 1 lakh | 4,07,499 | 75,477 | 4,82,976 | 21.06 | 4,11,230 | 72,788 | 4,84,018 | 21.11 | 0.05 |
| ii) Individual Members holding nominal share capital in excess of ₹ 1 lakh | 2,36,391 | – | 2,36,391 | 10.31 | 2,42,691 | – | 2,42,691 | 10.58 | 0.27 |
| c) Others: | | | | | | | | | |
| Clearing Member | 13,231 | – | 13,231 | 0.58 | 11,231 | – | 11,231 | 0.49 | (0.09) |
| NRI (repat) | 988 | 82 | 1,070 | 0.05 | 4,553 | 82 | 4,635 | 0.20 | 0.15 |
| Non resident (non repatriable) | 7,547 | – | 7,547 | 0.32 | 9,915 | – | 9,915 | 0.43 | 0.11 |
| Hindu Undivided Family (HUF) | 22,832 | – | 22,832 | 1.00 | 21,711 | – | 21,711 | 0.95 | (0.05) |
| Sub-total (B)(2) | 7,80,978 | 76,726 | 8,57,704 | 37.40 | 7,83,677 | 74,037 | 8,57,704 | 37.40 | – |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 7,80,988 | 76,890 | 8,57,878 | 37.41 | 7,83,677 | 74,201 | 8,57,878 | 37.41 | – |
| C. Shares held by Custodian for GDRs & ADRs | – | – | – | – | – | – | – | – | – |
| Grand Total (A+B+C) | 22,16,308 | 76,890 | 22,93,198 | 100 | 22,18,997 | 74,201 | 22,93,198 | 100 | – |

(ii) Shareholding of Promoters

| Sr. No. | Member's Name | Shareholding at beginning of the year (01.04.16) | | | Shareholding at the end of the year (31.03.17) | | | % Change in shareholding during the year |
|---------|---------------------------------|--|----------------------------------|---|--|----------------------------------|---|--|
| | | No. of shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of shares | % of total Shares of the company | % of shares Pledged/ encumbered to total shares | |
| 1 | DVK Investments Private Limited | 12,36,235 | 53.91 | – | 12,36,235 | 53.91 | – | – |
| 2 | Mr. Krishna Vasantkumar Datla | 1,99,085 | 8.68 | – | 1,99,085 | 8.68 | – | – |

(iii) Change in Promoters' Shareholding:

There is no change in the Promoters' shareholding during the financial year 2016-17.

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For Each of the Top 10 Members | Shareholding at the beginning of the year (01.04.16)/ end of the year (31.03.17) | | Date | Increase/ (Decrease) | Reason: Purchased(P)/ Transferred(T) | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|--|--------------------------------------|--------------------------------------|--|----------------------------------|
| | | No. of shares | % of total Shares of the company | | | | No. of shares | % of total Shares of the company |
| 1 | RAKESH KANTILAL SHAH | 85,002 85,002 | 3.71 3.71 | 01.04.16 31.03.17 | — — | — — | 85,002 | 3.71 |
| 2 | MAHAVIR L MEHTA | 27,918 32,088 | 1.22 1.40 | 01.04.16 23.09.16 30.09.16 31.03.17 | 1,500 2,670 — | P P — | 29,418 32,088 32,088 | 1.29 1.40 1.40 |
| 3 | ANUPAMA DATLA DESAI | 26,499 26,499 | 1.16 1.16 | 01.04.16 31.03.17 | — — | — — | 26,499 | 1.16 |
| 4 | IMRAN S CONTRACTOR | 24,219 24,219 | 1.06 1.06 | 01.04.16 31.03.17 | | | 24,219 | 1.06 |
| 5 | NAJMUDDIN GULAMHUSEIN KHERAJ | 22,040 22,040 | 0.96 0.96 | 01.04.16 31.03.17 | — — | — — | 22,040 | 0.96 |
| 6 | ASHMAVIR FINANCIAL CONSULTANTS PRIVATE LIMITED | 15,126 16,626 | 0.66 0.73 | 01.04.16 23.09.16 09.12.16 31.03.17 | 100 1,400 — | P P — | 15,226 16,626 16,626 | 0.66 0.73 0.73 |
| 7 | DOTCH SALES PRIVATE LIMITED | 15,000 15,000 | 0.65 0.65 | 01.04.16 31.03.17 | — — | — — | 15,000 | 0.65 |
| 8 | PREETI THAKKAR | 11,057 11,057 | 0.48 0.48 | 01.04.16 31.03.17 | — — | — — | 11,057 | 0.48 |
| 9 | DUPEN LABORATORIES PRIVATE LIMITED | 10,364 10,364 | 0.45 0.45 | 01.04.16 31.03.17 | — — | — — | 10,364 | 0.45 |
| 10 | RAHAT HASSAN THARANI WITH IMRAN SHAUKAT CONTRACTOR | 11,151 10,000 | 0.49 0.44 | 01.04.16 23.09.16 21.10.16 28.10.16 31.03.17 | (176) (612) (363) (363) | T T T — | 10,975 10,363 10,000 10,000 | 0.48 0.45 0.44 0.44 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (01.04.16)/end of the year (31.03.17) | | Date | Increase/ (Decrease) | Reason: Purchased (P) / Transferred (T) | Cumulative Shareholding during the year | |
|---------|-----------------------------------|---|----------------------------------|----------|----------------------|---|---|----------------------------------|
| | | No. of shares | % of total Shares of the company | | | | No. of shares | % of total Shares of the company |
| 1. | KRISHNA DATLA | 1,99,085 | 8.68 | 01.04.16 | – | – | – | – |
| | | 1,99,085 | 8.68 | 31.03.17 | – | – | 1,99,085 | 8.68 |
| 2. | RAJESHWARI DATLA | 28,665 | 1.25 | 01.04.16 | – | – | – | – |
| | | | | 20.01.17 | 3,103 | T | 31,768 | 1.39 |
| | | 31,768 | 1.39 | 31.03.17 | – | – | 31,768 | 1.39 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of of the financial year (01.4.16) | | | | |
| i) Principal Amount | 4,973.39 | 244.23 | – | 5,217.62 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 16.90 | 1.75 | – | 18.65 |
| Total (i+ii+iii) | 4,990.29 | 245.98 | – | 5,236.27 |
| Change in Indebtedness during the financial year | | | | |
| – Addition | 4,193.00 | 150.00 | – | 4,343.00 |
| – Reduction | 4,933.38 | 8.92 | – | 4,942.30 |
| Net Change | (740.38) | 141.08 | – | (599.30) |
| Indebtedness at the end of the financial year (31.03.17) | | | | |
| i) Principal Amount | 4,205.23 | 350.00 | – | 4,555.23 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 44.68 | 37.06 | – | 81.74 |
| Total (i+ii+iii) | 4,249.91 | 387.06 | – | 4,636.97 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of Managing Director |
|---------|--|--|
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Mr. Krishna Datla ₹ 80,75,000 ₹ 3,04,127 — |
| 2. | Stock Option | — |
| 3. | Sweat Equity | — |
| 4. | Commission — as % of profit — others | — — |
| 5. | Others (Contribution to funds) | ₹ 11,59,731 |
| | Total (A) | ₹ 95,38,858 |
| | Ceiling as per the Act | The total remuneration paid to the Managing Director is within the limits prescribed under the Companies Act, 2013 |

B. Remuneration to other Directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---------|--|---|--------------------|-------------------|
| 1. | Independent Directors | Mr. Sanjay Buch | Mr. Vinayak Hajare | |
| | • Fee for attending board / committee meetings | ₹1,35,000 | ₹1,35,000 | ₹2,70,000 |
| | • Commission | — | — | — |
| | • Others | — | — | — |
| | Total (1) | ₹1,35,000 | ₹1,35,000 | ₹2,70,000 |
| 2. | Other Non-Executive Directors | Ms. Rajeshwari Datla | Mr. Satish Varma | |
| | • Fee for attending board/ committee meetings | ₹1,00,000 | ₹90,000 | ₹1,90,000 |
| | • Commission | — | — | — |
| | • Others | — | — | — |
| | Total (2) | ₹1,00,000 | ₹90,000 | ₹1,90,000 |
| | Total (B) = (1+2) | | | ₹4,60,000 |
| | Total Managerial remuneration (A+B) | | | ₹99,48,858 |
| | Ceiling as per the Act | The total fees to Directors payable for attending meetings are within the limits prescribed under the Companies Act, 2013 | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WT

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--|--|--|---------------------|
| | | Mr Srikant Sharma (Company Secretary) | Mr Keshav Kashid (CFO up to February 15, 2017) *Salary Annualized | Mr Sumesh Gandhi (CFO w.e.f. February 16, 2017) | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ₹35,32,563 | ₹69,64,843 | ₹6,28,179 | ₹1,11,25,585 |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | ₹28,800 | ₹39,600 | – | ₹68,400 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | – | – | – | – |
| 2. | Stock Option | – | – | | – |
| 3. | Sweat Equity | – | – | | – |
| 4. | Commission – as % of profit – others | – – | – – | | – – |
| 5. | Others (Contribution to Funds) | ₹2,24,437 | ₹4,69,509 | ₹42,039 | ₹7,35,985 |
| | Total | ₹37,85,800 | ₹74,73,952* | ₹6,70,218 | ₹1,19,29,970 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT /COURT] | Appeal made if any give details |
|---|--------------------------|-------------------|--|----------------------------|---------------------------------|
| A. COMPANY 1. Penalty 2. Punishment 3. Compounding | | NIL | NA | | |
| B. DIRECTORS 1. Penalty 2. Punishment 3. Compounding | | NIL | NA | | |
| C. OTHER OFFICERS IN DEFAULT 1. Penalty 2. Punishment 3. Compounding | | NIL | NA | | |

For and on behalf of the Board of Directors of DIL Limited

Thane
August 11, 2017.

Sanjay Buch
Chairman

Registered Office :
A-1601, Thane One, DIL Complex, Ghodbunder Road,
Majiwade, Thane (West) – 400 610, Maharashtra, India.

Annexure II:

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture entities

Part "A": Subsidiaries

| Sl. No. | Particulars | (₹ In Lakhs) | | | | |
|---------|---|--------------------------------|---------------------------|-------------------------|--------------------------------|---|
| 1 | Name of the subsidiary: | Fermenta Biotech Limited (FBL) | Aegean Properties Limited | CC Square Films Limited | G I Biotech Private Limited | Fermenta Biotech (UK) Limited |
| 2 | The date since when subsidiary was acquired | 30.06.1988 | 01.02.2002 | 10.01.2011 | 25.08.2004 | 10.09.2002 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | – | – | – | – | – |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR | INR | INR | INR | Pound Sterling £ (Exchange Rate : 1 GBP = 80.8408 INR) for Balance Sheet and 83.3587 INR for Profit and Loss account as on 31.03.2017 |
| 5 | Share capital | 1,770.45 | 30.00 | 5.00 | 1.00 | 183.60 |
| 6 | Reserves & surplus | 8,269.90 | 70.49 | (10.45) | (1.10) | (69.75) |
| 7 | Total assets | 17,931.84 | 102.08 | 0.05 | 6.90 | 114.89 |
| 8 | Total Liabilities | 7,891.49 | 1.59 | 5.50 | 7.00 | 1.04 |
| 9 | Investments | 186.62 | – | – | – | – |
| 10 | Turnover | 16,154.86 | 18.06 | – | – | – |
| 11 | Profit before taxation | 1,211.63 | 6.37 | (1.42) | (0.98) | (28.73) |
| 12 | Provision for taxation | 222.35 | 0.66 | – | (0.08) | – |
| 13 | Profit after taxation | 989.28 | 5.71 | (1.42) | (0.90) | (28.73) |
| 14 | Proposed Dividend | - | - | - | - | - |
| 15 | % of shareholding | 70.15% | 100% | 100% | 62.50% subsidiary of FBL | 100% subsidiary of FBL |

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | | | | |
|---|---|---|---|---|
| Name of Associates | Health and Well-ness India Pvt Ltd | Zela Wellness Private Limited | – | – |
| Name of Joint Ventures | – | – | Vasko Glider s.r.o. | Agastya Films LLP |
| 1. Latest audited Balance Sheet Date | 31.03.2017 | 31.03.2017 | 31.03.2017 | 31.03.2017 |
| 2. Date on which the Associate or Joint Venture was associated or acquired | 02.02.2011 | 26.03.2012 | 15.04.2004 | 20.11.2015 |
| 3. Shares of Associate/Joint Ventures held by the company on the year end | | | | |
| Number | 30,12,504 Equity Shares | 1,03,234 Equity Shares | N.A. | N.A. |
| Amount of Investment in Associates/Joint Venture (₹ in lakhs) | 475.00 | 225.00 | 188.51 | 530.00 |
| Extent of Holding % | 47.15% | 29.50% | 50% | 50% |
| 4. Description of how there is significant influence | – | – | – | – |
| 5. Reason why the associate/joint venture is not consolidated | Being an Associate share of Profit and Loss is consolidated | Being an Associate share of Profit and Loss is consolidated | Being a Joint venture entity share of Profit and Loss Account and assets and liabilities are consolidated | Being a Joint venture entity share of Profit and Loss Account and assets and liabilities are consolidated |
| 6. Net worth attributable to Shareholding as per latest audited Balance Sheet | – | – | – | – |
| 7. Profit / Loss for the year (₹ in Lakhs) | (159.99) | (37.26) | – | (0.19) |
| • Considered in Consolidation (₹ in Lakhs) | (72.08) | (75.38) | – | (0.10) |
| • Not considered in Consolidation (₹ in Lakhs) | – | – | – | – |

For and on behalf of the Board of Directors of DIL Limited

Thane
August 11, 2017.

Sanjay Buch
Chairman

Registered Office :
A-1601, Thane One, DIL Complex, Ghodbunder Road,
Majiwade, Thane (West) – 400 610, Maharashtra, India.

Annexure III:

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 Members, customers, employees, other associated persons and the society at large. The Company is committed to good corporate governance in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and in keeping with corporate governance norms. The Board of Directors of your Company reviews company practices and recommends suggestion(s) for improvement to the management for implementation.

BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors as stipulated under Regulation 17 of the SEBI Listing Regulations. The Chairman of the Board is an Independent Director.

The composition of the Board as on March 31, 2017 is as follows:

| Name of Director | Category | * Directorships in other companies | ** Chairmanship in Committees | ** Committee Memberships |
|--|------------------------------------|------------------------------------|-------------------------------|--------------------------|
| Mr. Sanjay Buch (DIN:00391436) | Chairman (Independent Director) | 2 | 4 | 2 |
| Ms. Rajeshwari Datla *** (DIN:00046864) | Non Executive Director | Nil | Nil | 1 |
| Mr. Vinayak Hajare (DIN:00004635) | Independent Director | Nil | Nil | 2 |
| Mr. Krishna Datla *** (DIN:00003247) | Managing Director | 3 | Nil | 3 |
| Mr. Satish Varma (DIN:00003255) | Non Executive Director | 3 | Nil | 2 |

* Directorships in private limited companies, foreign companies, Section 8 companies and associations are excluded.

** Represents Memberships / Chairmanships of Audit Committee and Stakeholders Relationship 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 2(77) of the Companies Act, 2013.

BRIEF PROFILE OF DIRECTOR BEING REAPPOINTED, AS REQUIRED UNDER REGULATION 26(4), 36(3) OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETINGS SPECIFIED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT:

1) Mr. Satish Varma, Director

Mr. Satish Varma, aged about 48 years, has extensive and diverse operational, management and legal

experience across DIL group of companies. He has been an integral part in framing strategies and management policies of the Company.

Mr. Varma has been associated with the Company as Member of the Board of Directors since 2003

Mr. Varma is a Member of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of DIL Limited.

During the FY 2016-17, Mr. Varma was paid ₹ 90,000 toward sitting fees for attending Board and Committee meetings of the Company.

BOARD MEETINGS / PREVIOUS ANNUAL GENERAL MEETING

- During the financial year under review, six Board Meetings were held on May 27, 2016, August 12, 2016, November 14, 2016, and February 13, 2017. The maximum gap between any two board meetings was less than 120 days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations.

Attendance at the four Board meetings and previous Annual General Meeting (AGM) held on September 27, 2016 is as follows:

| Name | Board Meetings attended | Attendance at Previous AGM |
|----------------------|-------------------------|----------------------------|
| Mr. Sanjay Buch | 4 | Yes |
| Ms. Rajeshwari Datla | 4 | Yes |
| Mr. Vinayak Hajare | 4 | Yes |
| Mr. Krishna Datla | 4 | Yes |
| Mr. Satish Varma | 3 | Yes |

AUDIT COMMITTEE

- During the year under review, four Audit Committee meetings were held on May 27, 2016, August 12, 2016, November 14, 2016 and February 13, 2017. The representatives of the Auditor(s) and Chief Financial Officer also attended the Audit Committee meeting(s).

The composition of the Audit Committee as on March 31, 2017 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. Sanjay Buch | Chairman | 4 |
| Ms. Rajeshwari Datla | Member | 4 |
| Mr. Vinayak Hajare | Member | 4 |

The composition of the Audit Committee complies with the requirements laid down in Regulation 18 of the SEBI Listing Regulations. Mr. Sanjay Buch and Mr. Vinayak Hajare have accounting and financial management expertise.

The Company Secretary acts as Secretary to the Audit Committee.

• **Terms of reference:**

The Powers, role and functions of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Schedule II (Part C) of the SEBI Listing Regulations, which, inter alia include the following :

- 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 fixation of auditors remuneration and other fees, including terms of appointment.
3. Review with management, quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval with particular reference to:
 - (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report.
4. Review adequacy of internal control systems (including internal financial controls) and risk management systems.
5. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
6. Review reports and significant findings, if any, of the Internal and Statutory Auditor and to ensure that suitable follow-up action is taken.
7. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
8. Discussion with Statutory Auditors and Internal Auditors about nature and scope of audit and areas of concern.
9. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
10. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. Examination of disclosure aspects of related party transactions and approval or any subsequent modification of transactions of the company with related parties;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the company, wherever it is necessary;
15. Monitoring the end use of funds raised through public offers and related matters.
16. Review of financial statements of subsidiary companies, joint venture and associate companies.
17. Review substantial defaults in payments to stakeholders and creditors.
18. Review the functioning of the Vigil mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Any other functions as may be statutorily required.

NOMINATION AND REMUNERATION COMMITTEE

- During the year under review two Committee meeting were held on August 12, 2016 and February 13, 2017.
- The composition of the said Committee as on March 31, 2017 and the attendance of the Committee Members in its meeting held during the financial year under review is as follows:

| Name of the Director | Designation | Meetings attended |
|----------------------|-------------|-------------------|
| Mr. Vinayak Hajare | Chairman | 2 |
| Mr. Sanjay Buch | Member | 2 |
| Mr. Satish Varma | Member | 2 |

The Company Secretary acts as the Secretary to the Committee.

Terms of reference:

The terms of reference include:-

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal.
- Carry out evaluation of every director's performance.
- Devising a policy on diversity of Board of Directors
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees.
- Recommend whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- Any other terms of reference, role, responsibility and powers as may be prescribed from time to time, (i) under the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations; and/or (ii) by the Board of Directors of the Company.

Nomination and Remuneration policy and performance evaluation of Board and individual Directors:

As per the Nomination and Remuneration policy of the Company ('Remuneration Policy'), the Director(s), KMP, Senior management personnel in addition to the criteria mentioned in the Act and SEBI Listing Regulations, should *inter alia* possess (a) relevant qualification, experience and expertise; (b) strong analytical and excellent communication skills; (c) collaborative and flexible style, with a high level of professionalism; and (d) Leadership skills. A copy of the Nomination and Remuneration policy is attached to this Report as Annexure V.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to provisions of the Act, SEBI Listing Regulations and Remuneration Policy, the Directors of the Company carried out annual performance evaluation of the Board as a whole, Committees of the Board and individual Directors (excluding the Director being evaluated).

A meeting of Independent Directors of the Company was held to: (a) review the performance of Chairperson, Non Independent Directors and the Board as a whole; (b) assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation was done through a structured evaluation process and forms, covering various aspects such as composition of Board, professional knowledge and expertise, performance of individual roles and duties including contribution in Board / Committee meetings, protection of interest of all stakeholders.

DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017 ARE AS FOLLOWS:

| Name of Director | Sitting Fees * | Salary | Contribution to PF and other funds | Benefits & Perquisites | Total | No. of Shares held |
|--|-----------------|------------------|------------------------------------|------------------------|------------------|--------------------|
| | (₹) | (₹) | (₹) | (₹) | (₹) | |
| Mr. Sanjay Buch Independent Director | 1,35,000 | — | — | — | 1,35,000 | NIL |
| Ms. Rajeshwari Datla Non-Executive Director | 1,00,000 | — | — | — | 1,00,000 | 28,665 |
| Mr. Vinayak Hajare Independent Director | 1,35,000 | — | — | — | 1,35,000 | NIL |
| Mr. Krishna Datla ** Managing Director | — | 80,25,000 | 11,59,731 | 3,04,127 | 94,88,858 | 1,99,085 |
| Mr. Satish Varma Non-Executive Director | 90,000 | — | — | — | 90,000 | NIL |
| TOTAL | 4,60,000 | 80,25,000 | 11,59,731 | 3,04,127 | 99,48,858 | 2,27,750 |

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

** The agreement between the Company and the Managing Director is for a period of three years effective May 9, 2015. Either party is entitled to terminate the said agreement by giving not less than three months notice in writing to the other party or such other period as may be mutually decided.

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

The Non-Executive Directors receive only sitting fees for attending the meetings of Board of Directors and its Committees.

STAKEHOLDERS RELATIONSHIP COMMITTEE

- During the year under review four Stakeholders Relationship Committee meetings were held on May 27, 2016, August 12, 2016, November 14, 2016 and February 13, 2017. The composition of the Committee as on March 31, 2017 and the attendance at the said Committee meeting is as follows:

| Name of the Director | Designation | Meetings attended |
|----------------------|-------------|-------------------|
| Mr. Sanjay Buch | Chairman | 4 |
| Mr. Krishna Datla | Member | 4 |
| Mr. Satish Varma | Member | 3 |
| Mr. Vinayak Hajare | Member | 4 |

The Company Secretary acts as the Secretary to Stakeholders Relationship Committee Meetings.

• **Terms of Reference:**

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

- i) Redressal of Members' grievances.
- ii) Issue of duplicate Share Certificates.
- iii) Review of Dematerialised shares.
- iv) Transfer and Transmission of shares.
- v) Non-receipt of Annual Reports and declared dividends.
- vi) Other matters related to shares and/or investor grievances.

MEMBER INFORMATION

- Name and designation of Compliance Officer : Mr. Srikant N. Sharma - Company Secretary.
Investor Helpdesk:
Mr. Srikant Sharma
DIL Limited, A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) – 400610, Maharashtra, India.
Tel No.: +91-22-67980800 Fax: +91-22-67980899
e-mail: srikant.sharma@dil.net

Investor Complaints and their redressal

- The numbers of investor complaints received and resolved during the FY 2016-2017 were 7.
- Pending complaints as on March 31, 2017 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 | Venue | Special Resolution(s) passed |
|---------|---------------------------------|---|--|
| 2013-14 | September 24, 2014 at 3.00 p.m. | 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) - 400610. | No Special Resolution was passed. |
| 2014-15 | September 30, 2015 at 3:00 p.m. | 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) 400610. | <ol style="list-style-type: none"> 1) Re-appointment of Mr. Krishna Datla as Managing Director for a period of three years commencing from May 9, 2015. 2) Adoption of revised Articles of Association of the Company to align with the form of Articles specified in Table F of Schedule I to the Companies Act, 2013. 3) Increase in Borrowing powers of the Company. |
| 2015-16 | September 27, 2016 at 3.00 p.m. | Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400610. | <ol style="list-style-type: none"> 1) Creation of mortgage and/or charge under Section 180(1)(a) of the Companies Act, 2013 |

Postal Ballot

No special resolution was passed by way of Postal Ballot during the financial year ended March 31, 2017.

COMPANY POLICIES

VIGIL MECHANISM POLICY

The Company has adopted a Whistle Blower Policy as part of Vigil Mechanism for Directors and employees to report instances of unethical acts, actual or suspected fraud or violation of DIL's Code or other similar genuine concerns or grievances. The Vigil Mechanism Policy is displayed on the Company's website at <http://www.dil.net/Company-Policies.html>.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS (RPT Policy)

The RPT Policy of the Company lays down the process to be adopted by the Company for: (a) identification of potential Related Party/ies; (b) materiality thresholds for RPT(s); (c) manner of dealing with and approving the transactions between the Company and its related parties. The RPT Policy also lays down the disclosure requirements of related party transactions, if any and the criteria for determining ordinary course of business and arm's length transactions

The RPT Policy can be viewed at the Company's website at [www.dil.net/ Company-Policies.html](http://www.dil.net/Company-Policies.html)

During the year under review, there were no materially significant related party transactions entered by the Company with Promoters, Directors or Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. Except as otherwise provided in this Annual report, none of the Directors has any pecuniary relationships or transactions with the Company.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

The Company has adopted a policy for determining material subsidiary as required by the SEBI Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy is uploaded on the website of the Company and can be viewed at www.dil.net/Company-Policies.html

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has adopted 'Familiarisation Programme for Independent Directors' to ensure that the Independent Directors are familiarised with the Company's business operations, strategies, business model, nature of industry in which Company operates and role, duties and responsibilities of an Independent Director of the Company. The details of Familiarisation Programme are available at www.dil.net/Company-Policies.html.

DISCLOSURES

- The risk management reports are periodically placed before the Audit Committee and Board of Directors for review, based on the system and procedures devised.
- 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) or SEBI or any statutory authority, on any matter related to the capital markets.
- Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2017. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- **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 Practising 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 dematerialised shares held with NSDL and CDSL.

- **Compliance with Mandatory Requirements**

The Company has complied with all the mandatory requirements, as applicable, of the Code of Corporate Governance as stipulated under the SEBI Listing regulations.

- **Compliance with Discretionary Requirements as per Part E of Schedule II of the SEBI Listing Regulations**

The status of compliance with Discretionary Requirements as per Part E of Schedule II of the SEBI Listing Regulations is provided below:

- **Non-Executive Chairman's Office:** The Chairman's office is separate from the office of Managing Director.

- **Response of the Company's management in relation to the -**

(a) 'Basis for qualified opinion' and

(b) 'Qualified opinion';

as mentioned in the Independent Auditor's Report in page no. 48 of this Annual Report is 'The Company's management is confident that profitability will be achieved by the referred associate entities and hence there is no permanent diminution in the valuation of these investments.

- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee in all functional matters.

- **Member'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 BSE Limited at www.bseindia.com. Extracts of Consolidated Financial Results and Standalone Financial Summary of the Company for each quarter are published in an English newspaper and Marathi newspaper respectively in the format prescribed under the SEBI Listing Regulations. Hence the results are not sent to the Members individually.

MEANS OF COMMUNICATION

- The Quarterly, half yearly and Annual financial results, published in the format prescribed under the SEBI Listing Regulations, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within the prescribed time limit. The financial results are forthwith sent to BSE Limited in prescribed format 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)
- Online filing with BSE Corporate Compliance & Listing Centre : All periodical compliances of the Company as per SEBI Listing Regulations are also being filed online with the BSE Corporate Compliance & Listing Centre.

- SEBI Complaints Redress System (SCORES) : The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralised web based complaints redress system of SEBI (SCORES). The salient features of this system is centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status.
- Whether it also displays official news releases and presentations made to institutional investors or to analysts : N.A.
- 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 INFORMATION FOR MEMBERS

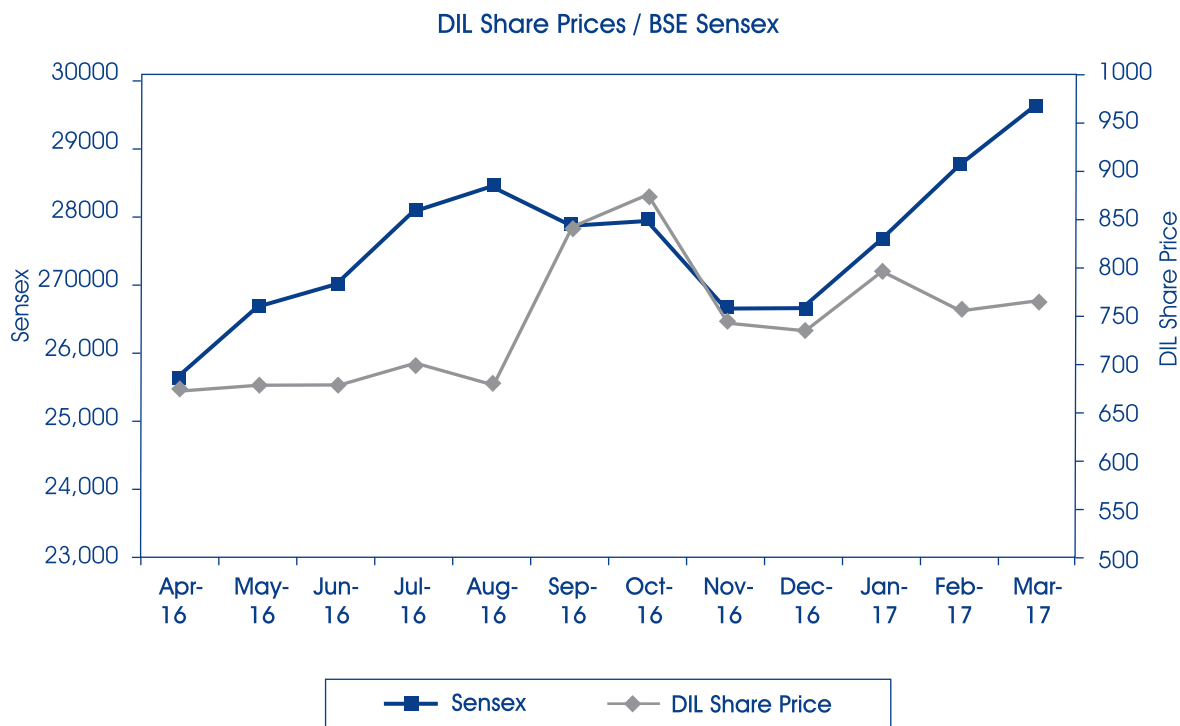
- Annual General Meeting : Friday, September 29, 2017 at 3.00 p.m. at Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W), 400610.
- Financial Year : April 1 to March 31
 - Financial reporting for the quarter ending June 30, 2017 : By August 14, 2017
 - Financial reporting for the quarter ending September 30, 2017 : By November 14, 2017
 - Financial reporting for the quarter ending December 31, 2017 : By February 14, 2018
 - Financial reporting for the year ending March 31, 2018 : By May 30, 2018
- Date of Book closure : Saturday, September 23, 2017 to Friday, September 29, 2017 (Both days inclusive)
- Dividend Payment Date : Final dividend (2016-2017) of ₹ 2.50 per equity share (25%) of ₹ 10 each, if declared at this AGM, shall be paid on or after October 5, 2017
- Listing on Stock Exchanges : BSE Limited
(Listing Fees for the year 2017-18 has been paid)
- Scrip Code on BSE Limited : 506414
- Market Price Data : High / low of the Company's stock price during each month in the financial year ended March 31, 2017.

| Month | DIL Limited | |
|----------------|-------------|---------|
| | High (₹) | Low (₹) |
| April 2016 | 773 | 671.50 |
| May 2016 | 765 | 660.30 |
| June 2016 | 720 | 651 |
| July 2016 | 744 | 652.50 |
| August 2016 | 711 | 663 |
| September 2016 | 899 | 651 |
| October 2016 | 899 | 795 |
| November 2016 | 893.95 | 709 |
| December 2016 | 775 | 701 |
| January 2017 | 888 | 700 |
| February 2017 | 889 | 722.10 |
| March 2017 | 809 | 700.00 |

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

| Month | Company's Closing Price (₹) | Sensex Closing Price (₹) | No. of shares of the Company traded |
|----------------|-----------------------------|--------------------------|-------------------------------------|
| April 2016 | 672.75 | 25,606.62 | 6,447 |
| May 2016 | 680 | 26,667.96 | 4,606 |
| June 2016 | 679.80 | 26,999.72 | 9,487 |
| July 2016 | 703.40 | 28,051.86 | 6,887 |
| August 2016 | 680 | 28,452.17 | 6,769 |
| September 2016 | 844 | 27,865.96 | 31,754 |
| October 2016 | 880 | 27,930.21 | 9,516 |
| November 2016 | 748.25 | 26,652.81 | 9,584 |
| December 2016 | 735 | 26,626.46 | 3,315 |
| January 2017 | 800.10 | 27,655.96 | 5,488 |
| February 2017 | 759 | 28,743.32 | 7,979 |
| March 2017 | 768.95 | 29,620.50 | 15,513 |

- DIL Limited's Share Price Movement / BSE Sensex



- Registrar and Transfer Agents : Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai – 400 083.
Maharashtra, India.
Tel No: +91 22 4916 8000
Fax No: +91 22 49186060
Email: mt.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 order. In order to expedite the process of share transfers, the Board of Directors has delegated the powers of share transfer and/ or related matters to Mr. Sanjay Buch, Chairman of the Stakeholders Relationship Committee and/ or Mr. Vinayak Hajare, Member of the Stakeholders Relationship Committee and/or Mr. Srikant Sharma, Company Secretary, who attends the share transfer formalities at least once in a fortnight. The meeting of Stakeholders Relationship 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 the Company's equity shareholding as on March 31, 2017

| Sr. No. | Range in no. of shares | Holding (No. of shares) | Amount (₹) | % to Total Amount | No. of Holders | % to Total Holders |
|---------|------------------------|-------------------------|--------------------|-------------------|----------------|--------------------|
| 1 | 1 - 500 | 279061 | 27,90,610 | 12.17 | 4172 | 95.77 |
| 2 | 501 - 1000 | 63431 | 6,34,310 | 2.77 | 87 | 2 |
| 3 | 1001 - 2000 | 60712 | 6,07,120 | 2.65 | 42 | 0.96 |
| 4 | 2001 - 3000 | 32128 | 3,21,280 | 1.40 | 13 | 0.30 |
| 5 | 3001 - 4000 | 30275 | 3,02,750 | 1.32 | 9 | 0.21 |
| 6 | 4001 - 5000 | 40203 | 4,02,030 | 1.75 | 9 | 0.21 |
| 7 | 5001 - 10000 | 67387 | 6,73,870 | 2.94 | 10 | 0.23 |
| 8 | 10001 and above | 1720001 | 1,72,00,010 | 75.00 | 14 | 0.32 |
| | Total | 2293198 | 2,29,31,980 | 100 | 4356 | 100 |

- Equity Shareholding Pattern as on March 31, 2017

| | Shareholding (no. of Shares) | % of Holding |
|----------------------------------|------------------------------|--------------|
| Promoters | 1435320 | 62.59 |
| Hindu Undivided Family | 21711 | 0.95 |
| Foreign Banks & NRIs | 14707 | 0.64 |
| Banks and Financial Institutions | 17 | 0.00 |
| Other Bodies Corporate | 83503 | 3.64 |
| General Public | 726709 | 31.69 |
| Clearing Members | 11231 | 0.49 |
| Total | 2293198 | 100 |

- **Dematerialisation of Shares:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. respectively. The shares of the Company are compulsorily traded in the dematerialized form in the Stock Exchanges. Presently 96.76% of the total equity shares of the Company have been dematerialized.

- **Address for Correspondence :**

Link Intime India Private Limited
C 101, 247 Park
L B S Marg, Vikhroli West,
Mumbai – 400 083.
Maharashtra, India

Tel No : +91 22 4918 6000

Fax No : +91 22 4918 6060

Email : rnt.helpdesk@linkintime.co.in

DIL LIMITED

A-1601, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (W) – 400 610.
Maharashtra, India

ISIN: INE225B01013

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

Sanjay Buch
Chairman
(DIN - 00391436)

Thane
August 11, 2017

Registered Office :
A-1601, Thane One, DIL Complex,
Majiwade,
Ghodbunder Road,
Thane (W) - 400 610,
Maharashtra, India.

**DECLARATION AS REQUIRED UNDER REGULATION 26(3) OF THE SECURITIES AND EXCHANGE BOARD
OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2017.

for DIL LIMITED

Thane
August 11, 2017.

KRISHNA DATLA
Managing Director

DIN: 00003247

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF DIL LIMITED

We have examined the compliance of conditions of Corporate Governance by DIL Limited (the Company) for the year ended 31st March, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility:

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

Opinion:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C and D of Schedule V of SEBI Listing Regulations during the year ended 31st March, 2017.

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

PROPRIETOR
FCS: 1880
CP: 898

Place: Mumbai
Date: 11th August, 2017.

Annexure IV:**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

DIL LIMITED

A-1601, Thane One,

DIL Complex,

Ghodbunder Road, Majiwade,

Thane (W)-400610.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DIL Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DIL Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
(Not applicable to the Company during the Audit period),

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit period),**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period),**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period);** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We have been informed that there are no laws applicable specifically to the Company. Additionally, we have been informed that compliance of various statutes is monitored on monthly basis by the Compliance officer and necessary action is initiated for any non-compliance.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited in respect of Issue and Listing of Securities;

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **V N Deodhar & Co.**

V N DEODHAR

PROPRIETOR

FCS No.: 1880

CP No. : 898

Mumbai

11th August, 2017

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

Annexure A

To
The Members
DIL Limited

Our Secretarial Audit Report of even date for the financial year ended 31st March, 2017 is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules & Regulations and happening of events, etc.
5. The Compliance of provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V N Deodhar & Co.**

V N DEODHAR
PROPRIETOR
FCS No.: 1880
CP No. : 898

Mumbai
11th August, 2017

Annexure V:

DIL LIMITED NOMINATION AND REMUNERATION POLICY

Introduction:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19 of the newly Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be enacted or amended from time to time (Listing Regulations), the Nomination and Remuneration Committee of the Company's Board of Directors has formulated this revised Nomination and Remuneration Policy (in substitution of the existing Nomination and Remuneration Policy) ("Policy").

Effective Date:

This Policy shall be effective from December 01, 2015.

Objectives:

The objectives of this Policy are as follows:

- (a) guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior management personnel.
- (b) level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (c) formulation of criteria for evaluation of Independent Director and the Board
- (d) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (e) remuneration to Directors, Key Managerial Personnel and Senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Definitions:

- "Act" means Companies Act, 2013 and rules framed there under.
- "Board" means Board of Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company" means DIL Limited (CIN: L99999MH1951PLC008485)
- "Director" means member on the Board.
- "employees" means individuals on the payroll of the Company.
- "Independent Director" will have the same meaning as referred to in sub-section (6) of section 149 of the Companies Act, 2013 read with the relevant rules and Regulation 16 of the Listing Regulations.
- "Key Managerial Personnel (KMP)" means:
 - (i) Chief Executive Officer, Managing Director, Manager;
 - (ii) Company Secretary;
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer;
 - (v) such other officer as may be prescribed, from time to time under the applicable statutory provisions / regulations
- "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- "Senior management" means personnel of the Company who are members of its core management team excluding Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.

Matters to be recommended by the Committee to the Board

The Committee shall:

- Identify persons who are qualified to become Director including Independent Director and persons who may be appointed as KMP and Senior management personnel in accordance with the criteria laid down in this Policy and recommend their appointment to the Board.

- Make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director / KMP as an employee of the Company subject to the provisions of the law and their service contract.

Criteria for appointment of Director / KMP / Senior management.

The Company shall take into account following points, while proposing the appointment of Director / KMP / Senior management personnel:

- The proposed Director / KMP / Senior management personnel must have relevant qualification, experience and expertise for the concerned position. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The proposed Director / KMP / Senior management personnel should possess the highest personal and professional ethics, integrity and values.
- The person so appointed as Director/ Independent Director/ KMP/ Senior management personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.
- The Director/ Independent Director/ KMP/ Senior management personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.
- The Board of Directors shall have the optimum combination of Directors from the different areas /fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc. or as may be considered appropriate.
- The Board shall have at atleast one Board member who has accounting or related financial management expertise and atleast three members who are financially literate.
- The proposed Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- In addition, the proposed KMP / Senior management personnel shall also possess: (a) Strong analytical and excellent communication skills; (b) collaborative and flexible style, with a strong service mentality; (c) Leadership skills – ability to lead and motivate a team, supervise them and provide / suggest regular progress reviews and plans for improvement.

Additional Criteria for Appointment of Independent Directors:

The Committee shall ensure that (i) the Independent Director(s) proposed to be appointed on the Board shall meet all the criteria as prescribed in the Act and the Listing Regulations; and (ii) the Independent Director(s) has furnished necessary declarations / disclosures to the Board / Company on or before the date of proposed appointment.

Appointment and Remuneration of Directors:

- The Independent Directors of the Company shall be entitled for sitting fees for attending meetings of the Board and Committee(s) Meetings either personally or through video conferencing or any audio visual means or teleconference, as may be approved by the Board.
- Based on the performance of the Company, the Committee may recommend payment of profit related commission to Non-Executive Directors as per limits laid down in Act, subject to approval of the Board and shareholders of the Company.
- The Independent Directors shall not be entitled to any stock option of the Company.
- The Company shall pay remuneration by way of salary, perquisites, allowances and Variable pay to Managing Director / Executive Director / Whole-time Director ("Executive Director"). The Committee shall review the performance of the Company and the Executive Director and may recommend the annual increment effective 1st April each year, for the approval of the Board. Remuneration including annual increment, if any, shall be paid within the limits of the Act and/or range approved by the Shareholders of the Company.
- The remuneration paid to the Executive Director is determined keeping in view of the benchmark of the similar industry and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company's policy as applicable to other employees.
- The tenure of Directors (including Executive Directors and Independent Directors) shall be as per provisions of the Act and rules made there under and the Listing Regulations as amended from time to time.

Appointment and Remuneration of KMP / Senior management and other employees of the Company

- The remuneration of KMP, Senior management and other employees shall largely consist of basic salary, perquisites, statutory benefits allowances and performance incentives (Variable pay). Perquisites and retirement benefits shall be paid according to the Company's policy, subject to prescribed statutory ceiling.
- The components of the total remuneration shall be governed by the industry pattern / benchmark, qualification and

experience of each employee and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

- iii. The annual Variable pay of managers including KMPs and Senior management shall be linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

Criteria for Evaluation of Independent Director and the Board:

The evaluation of Director(s) shall be done by the Board (excluding the Director being evaluated) as per the following criteria read with the provisions of the Act and the Listing Regulations.

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of (i) achievement of the targets / key performance areas given to Executive Directors by the Board from time to time; and/or (ii) performance of the Company for the relevant period.

2. Non Executive Directors:

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether the Non Executive Director has:

- i. acted objectively and constructively while exercising his/her duties;
- ii. exercised his/her responsibilities in a bona fide manner in the interest of the Company;
- iii. devoted sufficient time and attention to their professional obligations for informed and balanced decision making;
- iv. taken unfair advantage of their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage in any manner;
- v. informed the Board immediately when he/she failed to meet any criteria for Independent Director as prescribed in the Act and/or Listing Regulations,
- vi. provided necessary guidance to the Company in implementing the best corporate governance practices.
- vii. strived to attend all meetings of the Board / its Committees (of which he/ she is a Chairperson / Member) and general meetings of the Company;
- viii. participated constructively and actively in the Committees of the Board in which he/she is chairperson or member;
- ix. kept himself / herself well informed about the Company and the external environment / industry in which the Company operates;
- x. abided by Company's Memorandum and Articles of Association, Company's policies and procedures including Code of conduct, Insider trading guidelines etc.

Removal

Subject to the provisions of the Act read with rules made there under and Listing Regulations, the Committee may recommend (along with the reasons / justification) to the Board, removal of any Director, KMP or Senior management personnel, in case such Director / KMP / Senior management personnel (as the case may be) suffers from any disqualification mentioned in the Act, rules made there under, Listing Regulations, or under any other applicable law or on any other reasonable ground(s), as the Committee may deem appropriate.

Directors' and Officers' (D & O) Liability Insurance

Where any D & O Liability insurance policy is taken by the Company on behalf of its Directors, KMPs/ Senior management personnel etc., the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

For and on behalf of the Board of Directors

Sanjay Buch
Chairman

Thane
August 11, 2017.

Registered Office :
A-1601, Thane One, DIL Complex, Ghodbunder Road,
Majiwade, Thane (West) – 400 610, Maharashtra, India.

INDEPENDENT AUDITOR'S REPORT

To

The Members of DIL Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of DIL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 the Company's Directors, 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 qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

The Company has made investment in an associate where the net worth of this company has substantially been eroded. However, Company has not made any detailed evaluation of diminution in the value of this investment to the tune of Rs. 784.86 lakhs in the standalone financial statements. Further, in relation to another associate, though net worth as per management prepared financial statements has not been significantly eroded, this net worth includes a significant exposure to the associate mentioned earlier in this paragraph which raises a doubt on the recoverability of the investment in an associate amounting to Rs. 225 lakhs in standalone financial statements. Considering the view that this is long term investment and profitability will be achieved by the entity over a period of time, Company believes that no permanent diminution is deemed necessary. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the matter including any consequential impact, if any, of such diminution on these results.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017, of its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 39 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 30, 2017.

Annexure 1 – Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except for the land held in trust by the directors of the Company and which has been confirmed by them as at the year end.
- (ii) The nature of the business of the Company is such that it does not have inventory in tangible form. Accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to a subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has demanded repayment of such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other 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 of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added 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 | – | 1995-1996 | High Court, Bombay |
| The Gujarat Sales Tax Act | Sales Tax and Penalty | 4.34 | 1992-1994 | Sales Tax Appellate Tribunal |
| Central Excise Act, 1944 | Service tax and Penalty | 18.75 | 2000-2001 | High Court, Bombay |

* Net of payments made under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company has not taken any loans or borrowings from the government or debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 30, 2017.

Annexure 2 – To the independent auditor's report of even date on the standalone financial statements of DIL Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DIL Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2017:

The Company did not have an appropriate internal control system for review of recoverability of long term investments which could potentially result in the Company not recognising the diminution in the value of its long term investments on a timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of DIL Limited, which comprise the Balance Sheet as at March 31, 2017, and the related 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of DIL Limited and this report affects our report dated May 30, 2017 which expressed a qualified opinion on those financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 30, 2017.

BALANCE SHEET AS AT MARCH 31, 2017

| | Notes | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|-------|------------------------------|------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 3 | 229.32 | 229.32 |
| Reserves and surplus | 4 | 8,497.48 | 8,034.71 |
| | | <u>8,726.80</u> | <u>8,264.03</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 3,553.66 | 1,414.90 |
| Deferred tax liability (net) | 6 | — | — |
| Other long-term liabilities | 7 | 350.45 | 69.72 |
| Long-term provisions | 8 | 42.84 | 34.97 |
| | | <u>3,946.95</u> | <u>1,519.59</u> |
| Current liabilities | | | |
| Short-term borrowings | 9 | 350.00 | 244.24 |
| Trade payables | 10 | — | — |
| Total outstanding dues of micro and small enterprises | | — | — |
| Total outstanding dues of creditors other than micro & small enterprises | | 133.90 | 137.46 |
| Other current liabilities | 10 | 1,382.55 | 4,698.83 |
| Short-term provisions | 8 | 13.18 | 85.09 |
| | | <u>1,879.63</u> | <u>5,165.62</u> |
| TOTAL | | <u>14,553.38</u> | <u>14,949.24</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Property, Plant & Equipment | 11 | 9,362.25 | 9,336.25 |
| Intangible assets | 12 | 2.90 | 3.78 |
| Capital work-in-progress | | 129.73 | 57.86 |
| Non-current investments | 13 | 3,876.12 | 3,985.62 |
| Long-term loans and advances | 14 | 441.43 | 268.17 |
| Other non-current assets | 15.2 | 12.00 | — |
| | | <u>13,824.43</u> | <u>13,651.68</u> |
| Current assets | | | |
| Current investments | 16 | 100.00 | 80.00 |
| Trade receivables | 15.1 | 38.72 | 3.16 |
| Cash and bank balances | 17 | 95.57 | 299.69 |
| Short-term loans and advances | 14 | 489.02 | 673.49 |
| Other current assets | 15.2 | 5.64 | 241.22 |
| | | <u>728.95</u> | <u>1,297.56</u> |
| TOTAL | | <u>14,553.38</u> | <u>14,949.24</u> |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2017.

For and on behalf of the Board of Directors of DIL Limited

SANJAY BUCH
Chairman
KRISHNA DATLA
Managing Director
RAJESHWARI DATLA
Director

SATISH VARMA
Director
VINAYAK HAJARE
Director

SUMESH GANDHI
Chief Financial Officer
SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 30, 2017.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| | Notes | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|-------|------------------------------|------------------------------|
| INCOME: | | | |
| Revenue from operations | 18 | 586.21 | 613.50 |
| Other income | 19 | 52.03 | 114.64 |
| Total revenue (I) | | 638.24 | 728.14 |
| EXPENSES: | | | |
| Employee benefits expense | 20 | 557.69 | 510.57 |
| Depreciation and amortization expense | 21 | 344.82 | 179.52 |
| Finance costs | 22 | 710.09 | 195.72 |
| Other expenses | 23 | 980.14 | 763.67 |
| Total (II) | | 2,592.74 | 1,649.48 |
| Profit/(Loss) before extraordinary items and tax | | (1,954.50) | (921.34) |
| Exceptional item (Refer Note 13(a)) | | 2,466.17 | — |
| Profit/(Loss) before tax | | 511.67 | (921.34) |
| Prior period adjustment | | 16.15 | — |
| Profit/(Loss) before tax after prior period adjustment | | 495.52 | (921.34) |
| Tax expense: | | | |
| Current tax | | 69.00 | — |
| Less: MAT credit entitlement | | (69.00) | — |
| Provision for tax in respect of earlier years:- | | | |
| Excess provision for tax written back | | (6.30) | — |
| Excess MAT credit entitlement written off | | 39.05 | — |
| Deferred tax | | — | (7.62) |
| Total tax expense | | 32.75 | (7.62) |
| Profit/(Loss) for the year | | 462.77 | (913.72) |
| Earnings per equity share [nominal value of share ₹10/-] | 24 | | |
| Basic / Diluted (₹) | | 20.18 | (39.85) |
| Summary of significant accounting policies | 2.1 | | |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2017.

For and on behalf of the Board of Directors of DIL Limited

SANJAY BUCH KRISHNA DATLA RAJESHWARI DATLA
Chairman Managing Director Director

SATISH VARMA VINAYAK HAJARE
Director Director

SUMESH GANDHI SRIKANT N. SHARMA
Chief Financial Officer Company Secretary

Thane
Date: May 30, 2017.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| PARTICULARS | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 495.52 | (921.34) |
| Adjustment to reconcile profit before tax to net cash flows : | | |
| Depreciation and amortization expense | 344.82 | 179.52 |
| Loss/(Profit) on sale of Property, Plant & Equipment | 0.32 | 48.50 |
| Loss on deletion of fixed assets | – | 4.91 |
| Bad debts/Advances Written Off | – | 10.00 |
| Provision for diminution in long term investments | 5.00 | – |
| Loss/(Profit) on sale of equity shares | (2,466.17) | – |
| Interest expenses | 710.09 | 195.72 |
| Interest on income tax refund | (25.64) | – |
| Operating profit before working capital changes | (936.06) | (482.69) |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables | (3.56) | 47.06 |
| Increase/(decrease) in long-term provisions | 7.87 | 3.54 |
| Increase/(decrease) in short-term provisions | (2.91) | (0.10) |
| Increase/(decrease) in other current liabilities | (262.33) | (49.17) |
| Increase/(decrease) in other long-term liabilities | 280.73 | (295.95) |
| Decrease/(increase) in trade receivables | (35.56) | 13.77 |
| Decrease/(increase) in inventories | – | 45.06 |
| Decrease/(increase) in long-term loans and advances | (14.39) | (31.96) |
| Decrease/(increase) in short-term loans and advances | 42.82 | 411.07 |
| (Increase)/decrease in other current assets | 235.58 | (76.78) |
| (Increase)/decrease in other non-current assets | (12.00) | – |
| Cash generation from / (used in) operations | (699.81) | (416.15) |
| Direct taxes paid (net of refunds) | 134.54 | (80.76) |
| Net cash flow used in operating activities | (A) (565.27) | (496.91) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets, including CWIP and capital advances | (808.45) | (2,223.45) |
| Proceeds of sale of fixed assets | – | 101.19 |
| Proceeds of non-current investments | 2,832.67 | – |
| Purchase of non-current investments | (262.00) | (281.00) |
| Proceeds of current investments | 80.00 | 300.00 |
| Purchase of current investments | (100.00) | (80.00) |
| Proceeds of bank deposits matured (having original maturity of more than three months) | – | 1,395.69 |
| Net cash flow from/(used in) investing activities | (B) 1,742.22 | (787.57) |

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

CASH FLOW STATEMENT (Contd.)

| PARTICULARS | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term borrowings | 4193.00 | 2,454.27 |
| Repayment of long-term borrowings | (4,961.16) | (1,016.15) |
| Proceeds from short-term borrowings | 105.76 | 244.24 |
| Interest & finance cost paid | (647.00) | (177.07) |
| Dividend paid on equity shares | (60.00) | (117.23) |
| Tax on equity dividend paid | (11.67) | (23.34) |
| Net cash flow from/(used in) in financing activities | (C) (1,381.07) | 1,364.72 |
| Net increase/(decrease) in cash and cash equivalents | (A+B+C) (204.12) | 80.24 |
| Cash and cash equivalents at the beginning of the year | 299.69 | 219.45 |
| Cash and cash equivalents at the end of the year | 95.57 | 299.69 |
| Components of cash and cash equivalents | | |
| Cash on hand | 2.03 | 1.86 |
| With scheduled banks on: | | |
| Current account | 67.73 | 269.29 |
| Unclaimed dividend account* | 25.01 | 27.67 |
| With non-scheduled bank: | | |
| Ceskoslovenska obchodni banka, a.s. Czech Republic | 0.80 | 0.87 |
| Total cash and cash equivalents (Refer Note 17) | 95.57 | 299.69 |

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

Note

- Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS-3) "Cash Flow Statements" as specified under the Companies (Accounts) Rules, 2014.
- Previous year's figures have been regrouped/rearranged wherever necessary.

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2017.

For and on behalf of the Board of Directors of DIL Limited

SANJAY BUCH
Chairman

SATISH VARMA
Director

SUMESH GANDHI
Chief Financial Officer

Thane
Date: May 30, 2017.

KRISHNA DATLA
Managing Director

VINAYAK HAJARE
Director

SRIKANT N. SHARMA
Company Secretary

RAJESHWARI DATLA
Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1. Corporate information

DIL Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on the BSE Limited. The Company is engaged in the business of renting properties, motion film production and distribution. 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 ventures dealing in manufacturing of wheelchairs based on Levitation Movement Technology and motion film production.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in Accounting Policy (Accounting for Proposed Dividend)

As per the requirements of pre-revised AS 4, the Company used to create a liability for dividend proposed/declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the Company cannot create provision for dividend proposed/declared after the balance sheet date unless a statute requires otherwise. Rather, Company will need to disclose the same in notes to the financial statements. Accordingly, the Company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by ₹ 69 Lakhs and current provision would have been higher by ₹ 69 Lakhs (including dividend distribution tax of ₹ 11.67 Lakhs).

(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) Property, Plant and Equipment (PPE)

Property, plant and equipment, capital work in progress 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, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Gains or losses arising from derecognition of property, plant and equipment 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.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(d) Depreciation on Property, Plant and Equipment

Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its PPE.

| | Estimated useful lives (in years) |
|----------------------------|--------------------------------------|
| Building | |
| On freehold land | 60 |
| Leased improvements/Facade | 30 |
| Roads/hardscaping works | 10 |
| Plant & Machinery | 15 |
| Computers | 3 |
| Furniture & Fixtures | 6 |
| Vehicles | 8 |

(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 lives (in years) |
|-------------------|--------------------------------------|
| 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.

(f) Impairment of Fixed assets :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

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) Retirement and other employee benefit

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution 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 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The Company also provides other long term benefit for compensated absences. 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.

(i) 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:

Rental income from operating leases (net of any incentives given to the lessees) is recognized on a straight-line basis over the lease term.

Interest income on loans and deposits is recognized 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 recognized on accrual basis.

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

Interest on income tax refund is recognized 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 recognized 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.

(j) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Exchange difference

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

(k) 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 recognized 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 PPE. 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.

(l) 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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

(m) Provisions

A provision is recognized 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

(r) 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, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 3 - SHARE CAPITAL: | | |
| Authorised Shares: | | |
| 49,20,000 (March 31, 2016 - 49,20,000) Equity shares of ₹10/- each | 492.00 | 492.00 |
| 80,000 (March 31, 2016 - 80,000) Unclassified shares of ₹10/- each | 8.00 | 8.00 |
| | <u>500.00</u> | <u>500.00</u> |
| Issued, Subscribed and fully paid up shares: | | |
| 22,93,198 (March 31, 2016 - 22,93,198) Equity shares of ₹10/- each. | 229.32 | 229.32 |
| | <u>229.32</u> | <u>229.32</u> |

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, 2017, the amount of per share dividend recognized as distributions to equity shareholders is ₹ 2.50/- (March 31, 2016: ₹2.50/-)

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 shareholder.

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, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| DVK Investments Private Limited | | |
| 12,36,235 (March 31, 2016 - 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, 2017 | | March 31, 2016 | |
|--|----------------|------------------------|----------------|------------------------|
| 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 Datta | 1.99 | 8.68% | 1.99 | 8.68 % |

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.

e) Proposed dividends on Equity shares:

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| The board proposed dividend on equity shares after the balance sheet date | | |
| Proposed dividend on equity shares for the year ended on 31 March 2017: | | |
| ₹ 2.50/-per share (31 March 2016: ₹ 2.50/- per share) | 57.33 | 57.33 |
| DDT on proposed dividend | 11.67 | 11.67 |
| | <u>69.00</u> | <u>69.00</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 4 - RESERVES AND SURPLUS: | | |
| Capital Reserve | 1,140.00 | 1,140.00 |
| General Reserve | 4,171.15 | 4,171.15 |
| Surplus in the statement of profit and loss | | |
| Balance as per last financial statements | 2,723.56 | 3,706.28 |
| Profit/(Loss) for the year | 462.77 | (913.72) |
| Less: Appropriations | | |
| Proposed final equity dividend | — | (57.33) |
| Tax on proposed equity dividend | — | (11.67) |
| Total appropriations | — | (69.00) |
| Net surplus in the statement of profit and loss | 3,186.33 | 2,723.56 |
| Total Reserves and surplus | 8,497.48 | 8,034.71 |

| | Non current | | Current | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
| NOTE 5 - LONG-TERM BORROWINGS: | | | | |
| From Bank (Secured Term Loan) for Thane One (Refer note c below) | — | — | — | 3,450.00 |
| From Bank (Secured Term Loan) for Thane One (Refer note d below) | 3,550.00 | — | 643.00 | — |
| From Bank (Secured Lease Rental Discounting Loan) for Ceejay House Property (Refer note b below) | — | 1,402.66 | — | 97.33 |
| Vehicle loan from banks (secured) (Refer note a below) | 3.66 | 12.24 | 8.57 | 11.16 |
| Total | 3,553.66 | 1,414.90 | 651.57 | 3,558.49 |
| The above amount includes | | | | |
| Secured borrowings | 3,553.66 | 1,414.90 | 651.57 | 3,558.49 |
| Unsecured borrowings | — | — | — | — |
| Amount disclosed under the head "other current liabilities" (Refer Note 10) | — | — | (651.57) | (3,558.49) |
| Net amount | 3,553.66 | 1,414.90 | — | — |

a) Vehicle loans from banks were taken during the financial year 2010-11 to 2015-16 and carries interest ranging between @ 8.20% to 12.76% p.a. The loan is repayable in 36/60 monthly instalments including interest. The loan is secured by hypothecation of vehicles.

b) Loan under lease rental discounting (LRD) from Axis Bank Limited was taken during the previous year by securitisation of Ceejay House rentals and carries interest @ 10.75% p.a. The loan is repayable in 111 monthly installments including interest (EMI). The said LRD Loan is also secured by way of first charge on Equitable Mortgage of Ceejay House owned by Aegean Properties Limited (APL). Further, the LRD Loan has been guaranteed by the personal guarantee of the managing director of the company and its subsidiary company (APL).

c) Term loans for Thane One Building at Majiwade Thane was taken from Union Bank of India with interest rates (BR + 4.25%) 13.90% [March 31, 2016 (BR + 4.25%) 13.90%] repayable in 12 months starting March 31, 2016 in four quarterly installments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The said term loans has been secured by way of first charge on Equitable Mortgage of Land at Thane and Constructions thereon. Further, the loan was been guaranteed by the personal guarantee of the managing director of the Company and the holding company.

d) Term loans for Thane One Building at Majiwade Thane under "Union Liqui Property Scheme" is taken from Union Bank of India during the financial year with interest rates (BR + 3.40%) 12.85% [March 31, 2016 NIL] repayable after 12 months starting September 08, 2017 in seven yearly installments of ₹ 6.43 crores each. The said term loans are secured by way of first charge on Equitable Mortgage of Land at Thane and Constructions thereon. Further, the loan has been guaranteed by the personal guarantee of the managing director of the Company and the holding company.

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ 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 | 321.86 | 85.60 |
| Gross deferred tax liability | 321.86 | 85.60 |
| 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 | 18.52 | 16.88 |
| Provision for doubtful debts and advances | 6.29 | 8.26 |
| Gross deferred tax asset | 24.81 | 25.14 |
| Net deferred tax liability | 297.05 | 60.46 |

* In absence of virtual certainty, the Company has not recognised deferred tax asset (DTA) / deferred tax liability (DTL) on timing differences arising from this allowance of accumulated depreciation and other item.

| | Non current | | Current | |
|--|----------------------|----------------|-----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| NOTE 7 - OTHER LONG-TERM LIABILITIES: | | | | |
| Liability for capital expenditure | – | – | 296.08 | 503.53 |
| Deposits from tenants | 350.45 | 69.72 | 0.20 | 261.92 |
| Amount disclosed under “other current liabilities” (Refer note 10) | – | – | (296.28) | (765.45) |
| | <u>350.45</u> | <u>69.72</u> | <u>–</u> | <u>–</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Long Term | | Short Term | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
| NOTE 8 - PROVISIONS: | | | | |
| Provision for employee benefits | | | | |
| Long term compensated absences | 42.84 | 34.97 | 13.18 | 16.09 |
| | <u>42.84</u> | <u>34.97</u> | <u>13.18</u> | <u>16.09</u> |
| Other provisions | | | | |
| Proposed dividend | - | - | - | 57.33 |
| Provision for tax on proposed equity dividend | - | - | - | 11.67 |
| | - | - | - | 69.00 |
| | <u>42.84</u> | <u>34.97</u> | <u>13.18</u> | <u>85.09</u> |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 9 - SHORT TERM BORROWINGS: | | |
| Cash credit (unsecured) | - | 44.24 |
| Inter corporate deposit (ICD) from Allegro Corporate Finance Advisors Pvt. Ltd. (unsecured) | 350.00 | 200.00 |
| | <u>350.00</u> | <u>244.24</u> |

Note: Cash credit are from Union Bank of India carrying an interest @16.75% (BR+6.85%) p.a. & ICD's from Allegro Corporate Finance Advisors Pvt. Ltd carrying interest at rate of 12% p.a.

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 10 - CURRENT LIABILITIES: | | |
| Trade payables* | | |
| Total outstanding dues of micro and small enterprises | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | 133.90 | 137.46 |
| | <u>133.90</u> | <u>137.46</u> |
| Other current liabilities: | | |
| Payable to subsidiary company - Fermenta Biotech Ltd. | 0.22 | 9.95 |
| Current maturities of long-term borrowings (Refer Note 5) | 651.57 | 3,558.49 |
| Current maturities of deposits from tenants (Refer Note 7) | 0.20 | 261.92 |
| Interest accrued but not due on borrowings | 81.74 | 18.65 |
| Unclaimed dividends | 25.00 | 27.67 |
| Others | | |
| Statutory dues | 24.84 | 40.02 |
| Liability for capital expenditure (Refer Note 7) | 296.08 | 503.53 |
| Others | 302.90 | 278.60 |
| | <u>1,382.55</u> | <u>4,698.83</u> |
| | <u>1,516.45</u> | <u>4,836.29</u> |

* includes ₹41.28 lakhs (March 31, 2016 - ₹28.90) - Reimbursement of expenses to subsidiary company (Aegean Properties Limited)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT:

₹ in Lakhs

| | Freehold Land | Buildings | Plant and equipment | Furniture and fixtures | Vehicle | Leasehold improvements | Total |
|----------------------------|---------------|-----------------|---------------------|------------------------|---------------|------------------------|------------------|
| Cost | | | | | | | |
| At April 1, 2015 | 20.79 | 822.97 | 456.68 | 295.14 | 237.85 | 295.73 | 2,129.16 |
| Additions | – | 6,729.53 | 2,250.06 | – | 17.98 | – | 8,997.57 |
| Disposal | – | (649.94) | (373.45) | (116.36) | (26.84) | – | (1,166.59) |
| At March 31, 2016 | 20.79 | 6,902.56 | 2,333.29 | 178.78 | 228.99 | 295.73 | 9,960.14 |
| Additions | – | 243.48 | 117.81 | 7.89 | 1.08 | – | 370.26 |
| Disposal | – | – | (0.35) | (101.13) | – | – | (101.48) |
| At March 31, 2017 | 20.79 | 7,146.04 | 2,450.75 | 85.54 | 230.07 | 295.73 | 10,228.92 |
| Depreciation | | | | | | | |
| At April 1, 2015 | – | 699.32 | 252.64 | 288.44 | 113.90 | 93.27 | 1,447.57 |
| Charge for the year | – | 70.57 | 68.47 | 1.74 | 27.87 | 9.69 | 178.34 |
| Disposal | – | (649.94) | (223.69) | (116.35) | (22.01) | – | (1,011.99) |
| At March 31, 2016 | – | 119.95 | 97.42 | 173.83 | 119.76 | 102.96 | 613.92 |
| Charge for the year | – | 144.43 | 154.52 | 8.93 | 26.37 | 9.69 | 343.94 |
| Disposal | – | – | (0.03) | (101.13) | – | – | (101.16) |
| At March 31, 2017 | – | 264.38 | 251.91 | 81.63 | 146.13 | 112.65 | 856.70 |
| Impairment loss | | | | | | | |
| At April 1, 2015 | – | – | 9.97 | – | – | – | 9.97 |
| Charge for the year | – | – | – | – | – | – | – |
| At March 31, 2016 | – | – | 9.97 | – | – | – | 9.97 |
| Charge for the year | – | – | – | – | – | – | – |
| At March 31, 2017 | – | – | 9.97 | – | – | – | 9.97 |
| Net Block | | | | | | | |
| At March 31, 2016 | 20.79 | 6,782.61 | 2,225.90 | 4.95 | 109.23 | 192.77 | 9,336.25 |
| At March 31, 2017 | 20.79 | 6,881.66 | 2,188.87 | 3.91 | 83.94 | 183.08 | 9,362.25 |

Note:

- Land includes ₹8.06 Lakhs (March 31, 2016 ₹8.06 Lakhs) being cost of land held in trust by Directors of the Company
- Plant and equipment includes:
 - Assets held for disposal
 - Gross block ₹26.53 Lakhs (March 31, 2016 - ₹26.53 Lakhs)
 - Net block ₹Nil (March 31, 2016 - ₹Nil)
- Vehicles includes hypothecated to banks
 - Gross block ₹33.47 Lakhs (March 31, 2016 - ₹68.05 Lakhs)
 - Depreciation charge for the year ₹3.97 Lakhs (March 31, 2016: ₹6.36 Lakhs)
 - Accumulated depreciation ₹6.58 Lakhs (March 31, 2016: ₹21.34 Lakhs)
 - Net block ₹26.89 Lakhs (March 31, 2016 - ₹46.71 Lakhs)
- Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease for part of the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 12 - INTANGIBLE ASSETS:

| | ₹ in Lakhs | |
|----------------------------|-------------------|-------------|
| | Computer software | Total |
| Gross Block | | |
| At April 1, 2015 | 25.23 | 25.23 |
| Purchase | 0.68 | 0.68 |
| Disposal | (16.76) | (16.76) |
| At March 31, 2016 | 9.15 | 9.15 |
| Purchase | — | — |
| Disposal | — | — |
| At March 31, 2017 | 9.15 | 9.15 |
| Amortization | | |
| At April 1, 2015 | 20.95 | 20.95 |
| Charge for the year | 1.18 | 1.18 |
| Disposal | (16.76) | (16.76) |
| At March 31, 2016 | 5.37 | 5.37 |
| Charge for the year | 0.88 | 0.88 |
| Disposal | — | — |
| At March 31, 2017 | 6.25 | 6.25 |
| Net Block | | |
| At March 31, 2016 | 3.78 | 3.78 |
| At March 31, 2017 | 2.90 | 2.90 |

March 31, 2017 March 31, 2016
₹ in Lakhs ₹ 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, 2016 - 59,000) Equity shares of ₹10 each fully paid up | | |
| Abbott India Limited (AIL) (quoted) | 0.01 | 0.01 |
| 139 (March 31, 2016 - 139) Equity shares of ₹10 each fully paid-up | | |
| Syngene International Limited (quoted) (Refer Note (a) below) | — | 366.50 |
| Nil (March 31, 2016 - 6,87,224) Equity shares of ₹10 each fully paid-up. | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 13 - NON-CURRENT INVESTMENTS: (contd.) | | |
| Investment in equity instruments | | |
| Investment in subsidiaries | | |
| Aegean Properties Ltd. | 30.00 | 30.00 |
| 30,000 (March 31, 2016 - 30,000) | | |
| Equity shares of ₹100 each fully paid-up | | |
| Fermenta Biotech Ltd. | 1,709.25 | 1,709.25 |
| 1,27,62,464 (March 31, 2016 - 1,27,62,464) | | |
| Equity shares of ₹10 each fully paid-up | | |
| CC Square Films Limited* | 5.00 | 5.00 |
| 50,000 (March 31, 2016 - 50,000) | | |
| Equity shares of ₹10 each fully paid-up | | |
| Investment in associates | | |
| Health and Wellness India Private Limited | 475.00 | 475.00 |
| 30,12,504 (March 31, 2016 - 30,12,504) | | |
| Equity shares of ₹10 each fully paid-up | | |
| Zela Wellness Private Limited (Refer Note 33) | | |
| 1,03,234 (March 31, 2016 - 19,600) | | |
| Equity shares of ₹10 each fully paid-up | | |
| [83,634 Equity shares purchased during the year March 31, 2016 - Nil] | 225.00 | 50.00 |
| Investment in joint ventures | | |
| Vasko Glider s.r.o * (Refer Note 27(i))* | 188.51 | 188.51 |
| Agastya Films LLP (Refer Note 27(ii)) | 530.00 | 268.00 |
| Subscription application money | | |
| Health & Wellness India Pvt Ltd (Refer Note 33) | 309.86 | 309.86 |
| Zela Wellness Private Limited (Refer Note 33) | — | 175.00 |
| Noble Explochem Ltd | 597.00 | 597.00 |
| | 4,075.53 | 4,180.03 |
| Less: Provision for diminution in value of investments (Refer Note 27(a)(i))* | 199.41 | 194.41 |
| | 3,876.12 | 3,985.62 |
| Aggregate amount of quoted investments (Market value: ₹6.45 Lakhs (March 31, 2016 - ₹2,647.22 Lakhs)) | 0.01 | 366.51 |
| Aggregate amount of unquoted investments | 3,876.11 | 3,619.11 |
| Aggregate provision for diminution in value of investments* | 199.41 | 194.41 |

Note

- a) During the year Company has sold its investment of 6,87,224 equity shares of ₹10 each of Syngene International Limited and recognised a profit of ₹2,466.17 Lakhs

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Non current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| NOTE 14 - LOANS AND ADVANCES: | | | | |
| Capital advances | | | | |
| Unsecured, considered good | 292.07 | 133.20 | — | — |
| | 292.07 | 133.20 | — | — |
| Security deposits | | | | |
| Unsecured, considered good | 93.51 | 79.62 | — | — |
| | 93.51 | 79.62 | — | — |
| Loans to related parties (Refer Note 30) * | | | | |
| Unsecured, considered good | — | — | — | 157.50 |
| Advances recoverable in cash or kind ** | | | | |
| Unsecured, considered good | 23.24 | 29.99 | 363.68 | 188.44 |
| Doubtful | 19.01 | 19.01 | — | — |
| | 42.25 | 49.00 | 363.68 | 188.44 |
| Less: Provision for doubtful advances | 19.01 | 19.01 | — | — |
| | 23.24 | 29.99 | 363.68 | 188.44 |
| Other loans and advances (unsecured) | | | | |
| Advance income-tax (net of provision for taxation) | — | — | 28.40 | 305.28 |
| MAT credit entitlement | — | — | 69.00 | — |
| Prepaid expenses | — | — | 12.51 | 7.48 |
| Loans to employees | 32.61 | 25.36 | 15.43 | 14.79 |
| | 32.61 | 25.36 | 125.34 | 327.55 |
| | 441.43 | 268.17 | 489.02 | 673.49 |
| Loans and advances to related parties include* | | | | |
| Fermenta Biotech Ltd. | — | — | — | 157.50 |
| [Maximum amount outstanding during the year ₹157.50 Lakhs (March 31, 2016 - ₹232.50 Lakhs)] | | | | |
| Advances recoverable in cash or kind include ** | | | | |
| CC Square Films Limited | — | — | 1.15 | 0.89 |
| [Maximum amount outstanding during the year ₹1.15 Lakhs (March 31, 2016 - ₹0.89 Lakhs)] | | | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Non current | | Current | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |

NOTE 15 - TRADE RECEIVABLES AND OTHER CURRENT 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 | - | - | 3.85 | 2.48 |
| Considered doubtful | - | - | - | 5.97 |
| | - | - | 3.85 | 8.45 |
| Less: Provision for doubtful debts | - | - | - | 5.97 |
| | - | - | 3.85 | 2.48 |

Other receivables

| | | | | |
|-----------------|---|---|-------|------|
| Considered good | - | - | 34.87 | 0.68 |
| | - | - | 38.72 | 3.16 |

| | Non current | | Current | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| 15.2. Other current assets | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Non-current bank deposit balances (Refer note 17) | 12.00 | - | - | 130.00 |
| Interest accrued | - | - | 5.64 | 111.22 |
| | 12.00 | - | 5.64 | 241.22 |

| March 31, 2017 | March 31, 2016 |
|----------------|----------------|
| ₹ in Lakhs | ₹ in Lakhs |

NOTE 16 - CURRENT INVESTMENTS:

Current investments (valued at lower of cost and fair value, unless stated otherwise)

Unquoted

| | | |
|---|--------|-------|
| Union Capital Protection Oriented Fund - Series 7 10,00,000 (March 31, 2016 - Nil) units of ₹10 each | 100.00 | - |
| Union KBC Dynamic Bond Fund - Growth Nil (March 31, 2016 - 2,27,324.392) units of ₹10 each | - | 30.00 |
| Union KBC Capital Protection Oriented Fund - Series 5 - Regular Plan - Growth Nil (March 31, 2016 - 5,00,000) units of ₹10 each | - | 50.00 |
| | 100.00 | 80.00 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Non current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ 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 | — | — | 67.73 | 269.29 |
| Unclaimed dividend account | — | — | 25.01 | 27.67 |
| With non-scheduled bank: | | | | |
| Ceskoslovenska obchodni banka, a.s. Czech Republic- on Current account | — | — | 0.80 | 0.87 |
| Cash on hand | — | — | 2.03 | 1.86 |
| | <u>—</u> | <u>—</u> | <u>95.57</u> | <u>299.69</u> |
| Other bank balances | | | | |
| Deposits with original maturity for more than 3 months but less than 12 months * | 12.00 | — | 95.57 | 429.69 |
| | <u>12.00</u> | <u>—</u> | <u>95.57</u> | <u>429.69</u> |
| Amount disclosed under non-current assets (Refer note 15.2) | (12.00) | — | — | (130.00) |
| | <u>—</u> | <u>—</u> | <u>95.57</u> | <u>299.69</u> |

* Deposit in the form of Debt Security Reserve (DSR) with Axis Bank Limited is reclassified under other assets (Refer note 15.2)

| | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| NOTE 18 - REVENUE FROM OPERATIONS: | | |
| Rent Income | 521.30 | 608.25 |
| Service income (Infrastructure support service to tenant) | 60.32 | — |
| Security deposits and others | 4.57 | 5.16 |
| Sale of scrap | 0.02 | 0.09 |
| | <u>586.21</u> | <u>613.50</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 19 - OTHER INCOME: | | |
| Profit on sale/redemption of current investments - other than trade | 13.15 | 46.75 |
| Less: Loss on sale/redemption of current investments - other than trade | — | (5.07) |
| Dividend Income from investments: | | |
| Current - other than trade | 0.05 | 6.92 |
| Interest income on: | | |
| Inter-corporate deposits | — | 16.01 |
| Bank deposits | 7.23 | 33.13 |
| Loans to subsidiary | 5.96 | 16.90 |
| Interest on income-tax refunds | 25.64 | — |
| | 52.03 | 114.64 |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 20 - EMPLOYEE BENEFITS EXPENSE: | | |
| Salaries, wages and bonus | 499.29 | 457.96 |
| Contribution to provident and other fund | 33.85 | 33.54 |
| Gratuity expense (Refer note 25(iv)) | 9.28 | 3.51 |
| Employee welfare expenses | 15.27 | 15.56 |
| | 557.69 | 510.57 |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 21 - DEPRECIATION AND AMORTIZATION EXPENSE: | | |
| Depreciation of Property, Plant and Equipment | 343.94 | 178.34 |
| Amortization of intangible assets | 0.88 | 1.18 |
| | 344.82 | 179.52 |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|-------------------------------------|------------------------------|------------------------------|
| NOTE 22 - FINANCE COST: | | |
| Interest on term loans | 519.07 | 155.84 |
| Interest on intercorporate deposits | 39.93 | 1.99 |
| Interest on Cash credit | 2.92 | 0.09 |
| Interest on Others | 4.74 | — |
| Other Charges | 143.43 | 37.80 |
| | 710.09 | 195.72 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 23 - OTHER EXPENSES: | | |
| Electricity charges/Fuel | 144.93 | 76.08 |
| Water Charges | 9.57 | 3.80 |
| Rates and taxes | 118.44 | 68.85 |
| Rent | 57.18 | 60.56 |
| Insurance | 10.27 | 12.21 |
| Repairs and maintenance: | | |
| Plant and machinery | 46.06 | 30.07 |
| Buildings | 1.86 | 2.63 |
| Others | 148.45 | 74.36 |
| Advertising and sales promotion expenses | 23.23 | 64.14 |
| Travelling and conveyance | 32.47 | 56.36 |
| Legal and professional charges | 116.46 | 129.53 |
| Payment to auditors (Refer note below) | 17.49 | 16.69 |
| Exchange loss (net) | — | 0.45 |
| Communication costs | 11.03 | 13.58 |
| Donation | 5.30 | 17.65 |
| Bad debts/Advances written Off | 5.97 | 10.00 |
| Less: Provision for doubtful debts | (5.97) | — |
| Directors' sitting fees | 4.60 | 6.35 |
| Provision for diminution in value of long term investments | 5.00 | — |
| Printing and stationery | 6.02 | 6.79 |
| Staff recruitment expenses | 14.99 | 0.08 |
| Loss on sale of fixed assets (net) | 0.32 | 48.50 |
| Loss on deletion of fixed assets (net) | — | 4.91 |
| Brokerage | 143.93 | 1.15 |
| Miscellaneous expenses | 62.54 | 58.93 |
| | ** 980.14 | ** 763.67 |

** net of recovery of ₹33.82 Lakhs (March 31, 2016 - ₹45.57 Lakhs) from subsidiary companies.

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|-------------------------------------|------------------------------|------------------------------|
| Payment to auditors' | | |
| As auditor | | |
| Audit fee | 8.00 | 8.00 |
| Tax audit fees | 2.25 * | 1.60 * |
| Limited review | 6.00 | 6.00 |
| In other capacity in respect of: | | |
| Other services (certification fees) | 0.75 | 0.25 |
| Reimbursement of expenses | 0.49 * | 0.84 * |
| | 17.49 | 16.69 |

* includes amount payable to another auditor

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 24 - EARNINGS PER SHARE (EPS): | | |
| Profit/(Loss) after tax | 462.77 | (913.72) |
| | No. in Lakhs | No. in Lakhs |
| Weighted average number of equity shares in calculating basic/diluted EPS | 22.93 | 22.93 |
| Earnings per share (₹ per share): | 20.18 | (39.85) |

NOTE 25 - 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).

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, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| a) Defined Contribution Plan | | |
| Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefits expense, provident and other funds on note 20 for the year are as under: | | |
| - Provident fund | 33.85 | 33.54 |

b) Defined Benefit Plan

Gratuity - As per actuarial valuation

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| | Gratuity (Funded) | |
| i) Changes in the present value of the defined benefit obligation | | |
| Opening | 42.82 | 36.05 |
| Interest cost | 3.07 | 2.67 |
| Current service cost | 3.89 | 3.65 |
| Benefits paid | (1.05) | (3.99) |
| Actuarial (gains) / losses on obligation | 9.24 | 4.44 |
| Closing | 57.97 | 42.82 |
| ii) Changes in fair value of plan assets | | |
| Opening | 54.29 | 51.16 |
| Expected return on plan assets | 3.76 | 4.15 |
| Actuarial gains / (losses) on obligation: | 2.11 | 1.24 |
| Employer's contribution | 2.39 | 1.73 |
| Benefits paid | (1.05) | (3.99) |
| Closing | 61.50 | 54.29 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 25 - EMPLOYEE BENEFITS: (contd.)

| | | | |
|------|---|----------------|----------------|
| iii) | Amounts recognised in balance sheet | | |
| | Present value of defined benefit obligation | 57.97 | 42.83 |
| | Fair value of plan assets | (61.50) | (54.29) |
| | Amount not recognised as assets | – | 1.06 |
| | Net Asset / (liability) recognised in balance sheet | (3.53) | (10.40) |
| iv) | Amounts recognised in statement of profit and loss | | |
| | Current service cost | 3.89 | 3.65 |
| | Interest cost | 3.07 | 2.67 |
| | Expected return on plan assets | (3.76) | (4.15) |
| | Net actuarial (gain) / loss recognised | 7.14 | 3.20 |
| | Amount not recognised as Assets | (1.06) | (1.86) |
| | Total expense | 9.28 | 3.51 |
| v) | Actual return on plan assets | 5.86 | 5.39 |
| vi) | Principal assumptions used in actuarial valuation | | |
| | Discount rate | 6.85% | 7.80% |
| | Expected return on plan assets | 7.50% | 8.00% |
| | Salary escalation rate | 7% | 5% |
| | Employee turnover | 1% at all ages | 1% at all ages |

| | | | | | |
|---|-------------------|--------------|--------------------------|---------------|--------------|
| 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, | March 31, | March 31, | March 31, | March 31, |
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| viii) Amounts for the current and previous four periods | | | | | |
| Defined benefit obligation | 57.97 | 44.24 | 36.05 | 39.31 | 36.50 |
| Plan assets | 61.50 | 55.71 | 51.16 | 47.49 | 43.52 |
| Surplus/(deficit) | 3.53 | 11.47 | 15.11 | 8.18 | 7.02 |
| Experience adjustments on plan liabilities | 0.43 | 4.15 | 0.24 | (0.66) | 1.38 |
| Experience adjustments on plan assets | 2.11 | 1.25 | 0.42 | (0.59) | 0.35 |

- 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 25 - EMPLOYEE BENEFITS: (contd.)

- c) The estimates of rate escalation in salary considered in the actuarial valuation takes into 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 2017-18 ₹Nil (March 31, 2016 ₹Nil)

| March 31, 2017 | March 31, 2016 |
|----------------|----------------|
| ₹ in Lakhs | ₹ in Lakhs |

NOTE 26 - 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. | 57.18 | 60.56 |
| 2. Future minimum lease payment under non cancellable leases in the aggregate and for each of the following periods: | | |
| i) Not later than one year | 10.05 | 23.11 |
| ii) Later than one year and not later than five years. | 0.80 | 4.09 |

Assets given on operating lease

The Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease periods expiring on September 30, 2018. However the agreement got terminated w.e.f 31.07.2016, have rent escalation provisions of 15% after 3 years.

The Company has also entered into operating lease agreements for its properties in Thane with original lease periods expiring between 2016 and 2021. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5% every year & 15% after 3 year.

| | | |
|---|--------|--------|
| 1. Rent income recognised in the statement of profit and loss for the year. | 521.30 | 608.25 |
| (includes rentals on sub-lease of ₹140.22 lakhs (March 31, 2016 ₹420.67 Lakhs) which is terminated w.e.f. 31.07.2016) | | |
| 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 | 463.93 | 394.46 |
| ii) Later than one year and not later than five years | 759.98 | 408.59 |
| iii) More than five years | — | — |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 27 INTEREST IN JOINT VENTURE: (Refer Note 13)

- (i) The Company has invested an aggregate of Rs. 188.51 Lakhs in Vasko Glider s.r.o. Czechoslovakia, a joint venture. Out of the above, Rs. 1.96 Lakhs (Czech Koruna 1 Lakh) is towards basic capital and Rs. 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, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Percentage of holding | 50% | 50% |
| Current asset | 18.49 | 20.11 |
| Non-current assets | 0.82 | 0.88 |
| Current liabilities | (0.83) | (0.90) |
| Non-current liabilities | — | — |
| Equity | 18.48 | 20.09 |
| Revenue | — | — |
| Cost of material consumed | — | — |
| Depreciation of plant and machinery | — | — |
| Employee benefit expenses | — | — |
| Other expenses | — | — |
| Profit before tax | — | — |
| Income tax expenses | — | — |
| Profit after tax | — | — |
| Commitments and 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 earlier year.

- (ii) The company holds 50% interest in Agastya Films LLP, a joint controlled entity which is involved in business of film production.

The proportionate share in the assets, liabilities, income and expenditure of the above joint venture is based on accounts prepared as per Indian GAAP, is as follows:-

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|-------------------------|------------------------------|------------------------------|
| Percentage of holding | 50% | 50% |
| Current assets | 550.50 | 333.21 |
| Non-current assets | — | — |
| Current liabilities | (20.68) | (45.29) |
| Non-current liabilities | — | — |
| Equity | 529.82 | 287.92 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 27 INTEREST IN JOINT VENTURE: (contd.)

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Income | 0.01 | 0.01 |
| Other expenses | 0.10 | 0.10 |
| Profit before tax | (0.09) | (0.09) |
| Income tax expenses | — | — |
| Profit after tax | (0.09) | (0.09) |
| Commitments and contingent liabilities | — | — |

NOTE 28 - 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

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 | | |
|--|--------------------|--------------------|----------------------|
| | 2016-2017 | | |
| | 2015-2016 | | |
| | Property | Entertainment | Total |
| a. Revenue | | | |
| 1. Segment revenue - External sales / income from operations | 586.21 613.41 | — — | 586.21 613.41 |
| Unallocated revenue | | | 52.05 114.73 |
| 2. Total | | | 638.24 728.14 |
| b. Result | | | |
| 1. Segment result / operating profit / (loss) | (302.36) 274.50 | (85.46) (91.98) | (387.82) 182.52 |
| 2 Finance Cost | | | 710.09 195.72 |
| 3 Unallocable income/(expenditure) (net) | | | (856.59) (908.14) |
| Exceptional Items | | | — |
| Profit on sale of shares | | | 2,466.17 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 28 - SEGMENT INFORMATION (contd.):

₹ in Lakhs

| | | 2016-2017 | | |
|---|----------|---------------|-----------|-----------|
| | | 2015-2016 | | |
| | Property | Entertainment | Total | |
| 4 Profit before tax | | | 511.67 | (921.34) |
| | | | 16.15 | — |
| 5 Provision for tax | | | | |
| - current tax | | | 32.75 | — |
| - deferred tax | | | — | (7.62) |
| 6 Profit after tax | | | 462.77 | (913.72) |
| c. Other information | | | | |
| 1. Segment assets | 9,897.40 | 223.69 | 10,121.09 | |
| | 9,501.27 | 226.99 | 9,728.26 | |
| 2 Unallocated corporate assets | | | 4,432.29 | 5,220.98 |
| 3. Total assets | | | 14,553.38 | 14,949.24 |
| 4. Segment liabilities | 869.35 | 227.22 | 1,096.57 | |
| | 965.91 | 227.00 | 1,192.91 | |
| 5. Unallocated corporate liabilities | | | 4,730.01 | 5,492.30 |
| 6. Total liabilities | | | 5,826.58 | 6,685.21 |
| 7. Cost incurred during the year to acquire | | | | |
| - segment Property, Plant and Equipment | 627.15 | — | 627.15 | |
| | 2,167.94 | 0.59 | 2,168.53 | |
| - unallocated segment Property, Plant and Equipment | | | 181.30 | 54.92 |
| 8. Depreciation and amortization expense | 312.26 | 3.93 | 316.19 | |
| | 141.69 | 4.00 | 145.69 | |
| 9 Unallocated depreciation | | | 28.63 | 33.83 |

(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, 2017

NOTE 29 - 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

V M Café De Art Private Ltd. (strike off w.e.f. 15.09.2015)

I) Key Management Personnel

1. Mr. Krishna Datla - Managing Director
2. Mr. Keshav H Kashid - Chief Financial Officer (upto 15.02.2017). Thereafter designated as "President Finance"
3. Mr. Srikant N Sharma - Company Secretary
4. Mr. Sumesh Gandhi - Chief Financial Officer (w.e.f. 16.02.2017)

II) Relative of Key Management Personnel

1. Ms. Rajeshwari Datla
2. Ms. Anupama Datla Desai

c. Joint Venture

VasKo Glider s.r.o.*

Agastya Films LLP (w.e.f. 20.11.2015)*

d. Associates

1. Health and Wellness India Private Ltd
2. Zela Wellness Private Limited

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

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 Management Personnel | Enterprises owned or significantly influenced by key management personnel or their relatives | Associates |
|---|-----------------------|--------------------------|-----------------------------------|--------------------------|--|------------|
| 1 Loans recovered | | | | | | |
| - Fermenta Biotech Ltd. | | 157.50 (65.00) | | | | |
| 2 Share application money refunded by Zela Wellness Private Limited | | | | | 175.00 — | |
| 3 Bad debts/Advances written Off | | | | | | |
| - Fermenta Biotech Ltd. | | — (10.00) | | | | |
| 4 Interest Income on loan | | | | | | |
| - Fermenta Biotech Ltd. | | 5.96 (16.90) | | | | |
| 5 Remuneration | | | | | | |
| - Mr. Krishna Datla | | | | 92.07 (70.29) | | |
| - Mr. Keshav H Kashid | | | | 73.39 (52.58) | | |
| - Mr. Sumesh Gandhi | | | | 6.56 — | | |
| - Mr. Srikant N Sharma | | | | 37.21 (25.55) | | |
| 6 Directors sitting fees | | | | | | |
| - Ms. Rajeshwari Datla | | | | 1.00 (1.45) | | |
| 7 Rent income | | | | | | |
| - Aegean Properties Ltd. | | 1.23 (1.49) | | | | |
| - DVK Investments Private Ltd. | 1.23 (1.49) | | | | | |
| - Fermenta Biotech Ltd. | | 53.20 (82.13) | | | | |

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 29 - 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 | Associates |
|---|-----------------|-------------------------|-----------------------------------|--------------------------|--|--------------------|
| - CC Square Films Limited | | 0.98 (1.20) | | | | |
| - Magnolia FNB Private Limited | | | | | 0.98 (1.20) | |
| 8 Rent paid | | | | | | |
| - Aegean Properties Ltd. | | 18.00 (18.00) | | | | |
| 9 Other reimbursements paid | | | | | | |
| - Fermenta Biotech Ltd. | | 0.76 (11.66) | | | | |
| - Aegean Properties Ltd. | | 16.63 (14.41) | | | | |
| - Agastya Films LLP | | | - (0.58) | | | |
| 10 Other reimbursements received | | | | | | |
| - Fermenta Biotech Ltd. | | 33.56 (45.27) | | | | |
| - CC Square Films Ltd | | 0.26 (0.30) | | | | |
| 11. Investment in equity share capital (Refer Note 13) | | | | | | |
| - Zela Wellness Private Limited | | | | | | 175.00 - |
| - Agastya Films LLP | | | 262.00 (268.00) | | | |
| 12 Balance outstanding as at the year end | | | | | | |
| i. Rent and reimbursement Payable | | | | | | |
| - Aegean Properties Ltd. | | 41.28 (28.90) | | | | |
| - Fermenta Biotech Ltd. | | 0.22 (9.94) | | | | |
| ii. Rent and reimbursement receivables | | | | | | |
| - Fermenta Biotech Ltd. | | 3.08 (3.24) | | | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 29 - 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 | Associates |
|---|-----------------|----------------|-----------------------------------|--------------------------|--|------------|
| - G.I.Biotech Private Ltd. | | 1.25 (1.25) | | | | |
| - CC Square Films Ltd | | 5.43 (4.05) | | | | |
| - Agastya Films LLP * | | | — (0.58) | | | |
| 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 | | | | | | |
| - Fermenta Biotech Ltd. | | — (157.50) | | | | |
| vi. Interest accrued | | | | | | |
| - Fermenta Biotech Ltd. | | — (2.83) | | | | |

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

NOTE 30 - DETAILS OF LOANS & INVESTMENT AS REQUIRED U/S 186 OF COMPANIES ACT, 2013

| Particulars | March 31, 2017 | | March 31, 2016 | |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
| | Loan Given ₹ in Lakhs | Outstanding ₹ in Lakhs | Loan Given ₹ in Lakhs | Outstanding ₹ in Lakhs |
| Loan given to subsidiary for working capital/business operations | | | | |
| - Fermenta Biotech Ltd. | — | — | — | 157.50 |

Note: Rate of interest charged on loan given is 8% p.a to 12% p.a.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 31 - CAPITALIZATION OF EXPENDITURE

During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed assets/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

| Particulars | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---------------|------------------------------|------------------------------|
| Finance costs | – | 412.76 |
| Total | – | 412.76 |

Note 32 - During the previous year, Company has received a notice from the private equity investor/shareholder in Company's subsidiary, Fermenta Biotech Limited ("Fermenta"). In this notice, investor has notified the Company that it proposes to exercise its "Drag Along Right" with respect to the shares of Fermenta asking DIL either to acquire shares of Fermenta from the investor or drag along DIL to sell the shares of Fermenta held by investor and DIL to a third party, pursuant to the Shareholders' Agreement dated December 10, 2010 entered into by the Company, Fermenta and investor. The Company has been advised that such claim is not legally tenable and the management has concluded that there is no obligation on the Company with reference to the aforesaid alleged notice from the investor. Accordingly, no impact has been considered in the financial statement.

Note 33 - During the Previous year, Company has entered into an agreement with other investors to invest additional amount in the operations of Health & Wellness India Private Limited (H&W) & Zela Wellness Private Limited (Zela) (associate companies) and also agreed to merge the operations of these two associates into one single entity. Pursuant to this agreement the outstanding Loans and advances, of ₹309.86 Lakhs with H&W & ₹75 Lakhs with Zela given by the Company has been converted into share application money. Post the completion of merger operations and shareholding alignment, the Company will own 50.94% stake in the combined operations. In addition to the above, during the previous year the Company has invested ₹100 Lakhs towards additional share subscription money in Zela.

During the previous year, Company has entered into supplementary agreement with other investors in Zela Wellness Private Limited (Zela) to convert the said additional share subscription money of ₹175 Lakhs invested in Zela Wellness Private Limited (Zela) into 0.001% Non Cumulative Compulsory Convertible Preference shares. On consolidation/merging of operations of Health & Wellness India Private Limited (H&W) & Zela Wellness Private Limited (Zela) into resultant unified Company. Post completion of unification of operations and conversion of preference shares into equity shares of the unified entity and on shareholding alignment, the Company will own 53.67% stake in the combined entity.

However during the current year Zela Wellness Private Limited (Zela) cancelled the said supplementary agreement and decided not to proceed with issue of Non-Cumulative Convertible Preference shares and refunded the Share Application Money of ₹175 Lakhs.

During the current year along with other/new investors the company invested ₹175 Lakhs in Zela Wellness Private Limited (Zela) and acquired 83,634 equity shares of ₹10 each, consequently the company's equity holding in Zela Wellness Private Limited (Zela) is 29.50% as against earlier 49%.

NOTE 34 - CAPITAL AND OTHER COMMITMENTS:

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Estimated amount of contracts remaining to be executed on capital account. | 364.25 | 640.71 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 35 - CONTINGENT LIABILITIES:

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Claims against the company not acknowledged as debts : | | |
| Service tax department raised demand of ₹ 22.50 Lakhs consisting of Service Tax of ₹ 7.50 Lakhs and penalty of ₹ 15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. Company has preferred an appeal to Bombay High Court. | 22.50 | 22.50 |
| The Deputy Commissioner of sales tax has confirmed the order of the Asst. Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Asstt. Commissioner pending final disposal. | 4.63 | 4.63 |
| | 27.13 | 27.13 |

NOTE 36 - UN-HEDGED FOREIGN CURRENCY EXPOSURE:

| | March 31, 2017 | March 31, 2016 |
|-----------------------|--|--|
| Particulars | Foreign Currency in Lakhs ₹ in Lakhs | Foreign Currency in Lakhs ₹ in Lakhs |
| Cash and bank balance | Kc 0.31 0.80 | Kc 0.31 0.87 |

NOTE 37 - EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS):

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|------------------------------|------------------------------|------------------------------|
| Legal fees | – | 1.90 |
| Remittances to branch office | – | 43.90 |
| Others | 1.85 | – |
| | 1.85 | 45.80 |

NOTE 38 - SPECIFIED BANK NOTES :

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R 308 (E), dated March 30, 2017. The details of the SBNs held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

| | (Amt in Rupees) | | |
|---------------------------------------|-----------------|--------------------------|-----------|
| | SBNs # | Other denomination notes | Total |
| Closing Cash in hand as on 8.11.2016 | 46,000 | 2,888 | 48,888 |
| Cash received back | – | – | – |
| (–) Amount deposited in banks | 46,000 | – | 46,000 |
| Staff Advance given | – | 409,500 | 409,500 |
| Cash withdrawal from bank | – | 1,380,000 | 1,380,000 |
| Expenditure | – | 791,118 | 791,118 |
| Closing Cash in hand as on 30.12.2016 | – | 182,270 | 182,270 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated November 08, 2016.

NOTE 39 - Previous year's figures have been regrouped/reclassified wherever necessary to conform with current year's classification.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No: 105938

Mumbai
Date: May 30, 2017

For and on behalf of the Board of Directors of DIL Limited

| | | |
|-------------------------|------------------------------------|------------------------------|
| SANJAY BUCH Chairman | KRISHNA DATLA Managing Director | RAJESHWARI DATLA Director |
|-------------------------|------------------------------------|------------------------------|

| | |
|--------------------------|----------------------------|
| SATISH VARMA Director | VINAYAK HAJARE Director |
|--------------------------|----------------------------|

| | |
|--|--|
| SUMESH GANDHI Chief Financial Officer | SRIKANT N. SHARMA Company Secretary |
|--|--|

Thane
Date: May 30, 2017

Independent Auditor's Report

To
The Members of DIL Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DIL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

- a) The accompanying consolidated financial statements include total assets of Rs. 134.20 lakhs as at March 31, 2017, total revenues of Rs. Nil and net loss of Rs. 20.71 lakhs for the year ended on that date, in respect of one subsidiary and one jointly controlled entity, which have not been audited and have been consolidated

in the consolidated financial statements based solely on the unaudited separate financial statement certified by the management. The consolidated financial statements also include the Company's share of net loss of Rs. 147.46 lakhs for the year ended March 31, 2017, in respect of two associates, which have not been audited and have been consolidated in the consolidated financial statements based solely on the unaudited separate financial statement certified by the management. Accordingly we are unable to comment on the impact of the same on the consolidated financial statements if the same had been audited and corresponding impact on paragraph 1 under the report on other legal and regulatory requirements below.

- b) The Company has made investment in an associate where the net worth of this company has substantially been eroded. However, Company has not made any detailed evaluation of diminution in the value of this investment in financial statements to the tune of Rs. 247.20 Lakhs. Further, in relation to another associate, though net worth as per management prepared financial statements has not been significantly eroded, this net worth includes a significant exposure to the associate mentioned earlier in this paragraph which raises a doubt on the recoverability of the investment in an associate amounting to Rs. 207.17 Lakhs in financial statements. Considering the view that this is long term investment and profitability will be achieved by the entity over a period of time, Company believes that no permanent diminution is deemed necessary. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the matter including any consequential impact, if any, of such diminution on these results.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2017, of their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, to the extent applicable, we report that:
 - (a) Except for the matter described in Basis for Qualified Opinion paragraph, we/the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) Except for the matter described in Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
 - (c) Except for the matter described in Basis for Qualified Opinion paragraph above, the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act except in relation to one subsidiary, one jointly controlled entity and two associates where the auditors' report is not available as noted in our paragraph of qualified opinion above.

- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- Except for the possible effect of the matter described in Basis of Qualified Opinion paragraph above, the consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 36 to the consolidated financial statements;
 - Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India during the year ended March 31, 2017.
 - Except for the possible effect of the matter described in the Basis of Qualified Opinion above, the Holding Company, subsidiaries, its associates and jointly controlled entities incorporated in India have provided requisite disclosures in Note 41 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associates and jointly controlled entities and as produced to us by the Management of the Holding Company.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, and one jointly controlled entity, whose financial statements include total assets of Rs. 83.62 lakhs and net assets of Rs. 60.68 lakhs as at March 31, 2017, and total revenues of Rs. 0.06 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 30, 2017.

Annexure 1 – To the independent auditor's report of even date on the consolidated financial statements of DIL Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of DIL Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of DIL Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of its subsidiary companies and its associate companies, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2017:

The Holding Company did not have an appropriate internal financial control system for review of recoverability of long term investments which could potentially result in the Company not recognising the diminution in the value of its long term investments on a timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies and in case of two associate companies incorporated in India whose reports of auditors are not furnished to us.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 30, 2017 expressed a qualified opinion thereon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 30, 2017.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

| | Notes | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|-------|------------------------------|------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 3 | 229.32 | 229.32 |
| Reserves and surplus | 4 | 13,868.44 | 12,752.69 |
| | | 14,097.76 | 12,982.01 |
| Minority interest | | 2,834.54 | 2,566.91 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 4,160.14 | 1,778.25 |
| Deferred tax liability (net) | 6 | 273.46 | 400.25 |
| Other long-term liabilities | 7 | 335.44 | 69.71 |
| Long-term provisions | 8 | 235.29 | 178.73 |
| | | 5,004.33 | 2,426.94 |
| Current liabilities | | | |
| Short-term borrowings | 9 | 3,713.02 | 2,933.95 |
| Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 10 | 20.20 | 5.14 |
| Total outstanding dues of creditors other than micro and small enterprises | | 2,816.34 | 1,972.19 |
| Other current liabilities | 10 | 2,053.62 | 5,662.01 |
| Short-term provisions | 8 | 74.90 | 275.07 |
| | | 8,678.08 | 10,848.36 |
| TOTAL | | 30,614.71 | 28,824.22 |
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | | 413.33 | 413.33 |
| Fixed assets | | | |
| Property, Plant and Equipment | 11 | 16,852.35 | 16,211.12 |
| Intangible assets | 12 | 132.80 | 185.31 |
| Capital work-in-progress | | 406.18 | 591.24 |
| Intangible assets under development | | 142.52 | 3.00 |
| Non-current investments | 13 | 1,048.38 | 1,459.79 |
| Long term loans and advances | 14 | 779.02 | 619.81 |
| Other non-current assets | 15.2 | 12.00 | 0.70 |
| | | 19,373.25 | 19,070.97 |
| Current assets | | | |
| Current investments | 16 | 100.00 | 80.00 |
| Inventories | 17 | 4,439.85 | 2,796.74 |
| Trade receivables | 15.1 | 4,457.10 | 4,300.56 |
| Cash and bank balances | 18 | 250.59 | 478.76 |
| Short-term loans and advances | 14 | 1,093.70 | 1,080.77 |
| Other current assets | 15.2 | 486.89 | 603.09 |
| | | 10,828.13 | 9,339.92 |
| TOTAL | | 30,614.71 | 28,824.22 |

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP

ICAI Firm Registration Number: 324982E/E300003

Chartered Accountants

per Vikram Mehta

Partner

Membership No : 105938

Mumbai

Date: May 30, 2017.

For and on behalf of the Board of Directors of DIL Limited

SANJAY BUCH

Chairman

SATISH VARMA

Director

SUMESH GANDHI

Chief Financial Officer

Thane

Date: May 30, 2017.

KRISHNA DATLA

Managing Director

VINAYAK HAJARE

Director

SRIKANT N. SHARMA

Company Secretary

RAJESHWARI DATLA

Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| | Notes | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|-------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue from operations (net) | 19 | 16,809.13 | 15,775.15 |
| Less: Excise duty | | 155.89 | 294.77 |
| | | 16,653.24 | 15,480.38 |
| Other income | 20 | 77.76 | 125.84 |
| Total revenue (I) | | 16,731.00 | 15,606.22 |
| EXPENSES | | | |
| Cost of raw material and components consumed | 21.1 | 7,599.31 | 6,284.83 |
| Purchase of traded goods | | 22.21 | 160.11 |
| (Increase) in Inventories | 22 | (789.44) | (53.06) |
| Employee benefits expense | 23 | 3,119.99 | 2,796.74 |
| Depreciation and amortization expense | 24 | 1,041.93 | 835.00 |
| Finance costs | 25 | 1,066.48 | 614.69 |
| Other expenses | 26 | 5,422.89 | 4,271.83 |
| Total (II) | | 17,483.37 | 14,910.14 |
| Profit/(Loss) before exceptional item and tax | | (752.37) | 696.08 |
| Exceptional item (Refer Note 13(a)) | | 2,466.17 | — |
| Profit/(Loss) before tax | | 1,713.80 | 696.08 |
| Prior period item | | 33.22 | — |
| Profit/(Loss) before tax after prior period adjustment | | 1,680.58 | 696.08 |
| Tax expense: | | | |
| Current tax | | 419.97 | 349.10 |
| Less: MAT credit entitlement | | (69.00) | — |
| Provision for tax in respect of earlier years:- | | | |
| Excess provision for tax written back | | (7.56) | — |
| Excess MAT credit entitlement written off | | 39.05 | — |
| Deferred tax (credit)/charge | | (126.79) | 75.72 |
| Total tax expense | | 255.67 | 424.82 |
| Profit after tax | | 1,424.91 | 271.26 |
| Share of minority interest in (profit)/loss | | (267.64) | (329.81) |
| Share of interest in profit/(loss) of associates | | (147.47) | (54.87) |
| Profit for the year | | 1,009.80 | (113.42) |
| Earnings per equity share [nominal value of share ₹10/-] | 27 | | |
| Basic / Diluted (₹ in Lakhs) | | 44.04 | (4.95) |

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2017.

For and on behalf of the Board of Directors of DIL Limited

SANJAY BUCH
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

VINAYAK HAJARE
Director

SUMESH GANDHI
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 30, 2017.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| PARTICULARS | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,680.58 | 696.08 |
| Non-cash adjustment to reconcile profit before tax to net cash flows : | | |
| Depreciation | 1,041.93 | 835.00 |
| Loss on sale of fixed assets (net) | 0.32 | 48.50 |
| Loss on deletion of assets | 9.05 | 4.91 |
| Profit on sale of fixed asset | — | (0.70) |
| Unrealised foreign exchange (gain)/loss (net) | (50.52) | (50.55) |
| Provision for doubtful debts and advances | 425.54 | 19.63 |
| Profit on sale of equity shares | (2,466.17) | — |
| Interest expenses | 1,066.48 | 614.69 |
| Operating profit before working capital changes | 1,707.21 | 2,167.55 |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables | 896.86 | 343.44 |
| Increase/(decrease) in long-term provisions | 56.56 | 12.57 |
| Increase/(decrease) in short-term provisions | (4.35) | 4.16 |
| Increase/(decrease) in other current liabilities | (332.29) | (17.27) |
| Increase/(decrease) in other long-term liabilities | 265.73 | (183.01) |
| Decrease/(increase) in trade receivables | (620.60) | (690.74) |
| Decrease/(increase) in inventories | (1,643.11) | (633.29) |
| Decrease/(increase) in long-term loans and advances | (2.64) | 109.16 |
| Decrease/(increase) in short-term loans and advances | (297.60) | 36.69 |
| (Increase)/decrease in other current assets | 116.20 | (415.02) |
| (Increase)/decrease in other non-current assets | (11.30) | (13.36) |
| Cash generation from operations | 130.67 | 720.89 |
| Direct taxes paid (net of refunds) | (224.60) | (276.68) |
| Net cash flow from / (used in) operating activities | (A) (93.93) | 444.21 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets, including CWIP and capital advances | (1,902.35) | (3,042.61) |
| Proceeds from sale of fixed assets | 1.11 | 102.13 |
| Proceeds of non-current investments | 2,837.68 | (13.00) |
| Proceeds of current investments | 80.00 | 300.00 |
| Purchase of current investments | (100.00) | (80.00) |
| Redemption/maturity of bank deposits (having original maturity of more than three months) | — | 1,395.68 |
| Net cash flow from / (used in) investing activities | (B) 916.44 | (1,337.80) |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

CASH FLOW STATEMENT (Contd.)

| PARTICULARS | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term borrowings | 4,688.37 | 2,928.14 |
| Repayment of long-term borrowings | (5,492.12) | (1,577.72) |
| Proceeds from short-term borrowings | 828.84 | 429.19 |
| Interest paid | (1,004.10) | (597.08) |
| Dividend paid on equity shares | (60.00) | (117.23) |
| Tax on equity dividend paid | (11.67) | (23.34) |
| Net cash flow from / (used in) financing activities | (C) (1,050.68) | 1,041.96 |
| Net increase/(decrease) in cash and cash equivalents | (A+B+C) (228.17) | 148.37 |
| Add: Effect of exchange difference on Cash and Equivalents held in foreign currency | — | — |
| Cash and cash equivalents at the beginning of the year | 478.76 | 330.39 |
| Cash and cash equivalents at the end of the year | 250.59 | 478.76 |
| Components of cash and cash equivalents | | |
| Cash on hand | 8.50 | 5.56 |
| With scheduled banks on: | | |
| Current account | 181.49 | 400.64 |
| Deposits with original maturity of less than three months | 0.03 | 0.03 |
| Unclaimed dividend account* | 25.00 | 27.67 |
| With non-scheduled bank | 35.57 | 44.86 |
| Total cash and cash equivalents (note 18) | 250.59 | 478.76 |

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

Note

1) Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS-3) "Cash Flow Statements" as specified in Companies (Accounts) Rules, 2014.

2) Previous year's figures have been regrouped/rearranged wherever necessary.

Summary of significant accounting policies (Refer Note 2.1)

| | | | |
|---|--|--|------------------------------|
| As per our report of even date | For and on behalf of the Board of Directors of DIL Limited | | |
| For S R B C & CO LLP ICAI Firm Registration Number: 324982E/E300003 Chartered Accountants | SANJAY BUCH Chairman | KRISHNA DATLA Managing Director | RAJESHWARI DATLA Director |
| per Vikram Mehta Partner Membership No : 105938 | SATISH VARMA Director | VINAYAK HAJARE Director | |
| Mumbai Date: May 30, 2017. | SUMESH GANDHI Chief Financial Officer | SRIKANT N. SHARMA Company Secretary | |
| | Thane Date: May 30, 2017. | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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. The Company's Joint Ventures, Vasko Glider s.r.o. Czechoslovakia is in the business of development and manufacture of wheelchairs and Agastya Films LLP is in the business of film production.

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

- (b) The proportionate share in the assets, liabilities, income and expenditure of Vasko Glider s.r.o. and Agastya Films LLP Joint Ventures of the Company, based on accounts certified by the management is as follows:-

| | Vasko Glider s.r.o. | | Agastya Films LLP | |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31-Mar-17 ₹ in Lakhs | 31-Mar-16 ₹ in Lakhs | 31-Mar-17 ₹ in Lakhs | 31-Mar-16 ₹ in Lakhs |
| i) Percentage of holding | 50% | 50% | 50% | 50% |
| ii) Assets | 19.31 | 20.99 | 550.50 | 333.21 |
| iii) Liabilities | 0.83 | 0.90 | 20.68 | 45.29 |
| iv) Income | — | — | 0.01 | 0.01 |
| v) Expenditure | — | — | 0.10 | 0.10 |
| vi) Capital commitment | — | — | — | — |
| vii) Contingent liabilities | — | — | — | — |

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

The financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standard (AS) Notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(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, 2017.

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

| Name of the subsidiaries | Country of Incorporation | 2016-17 % shareholding | 2015-16 % 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 | 29.50% | 49.00% |
| Name of the joint venture | | | |
| VasKo Glider s.r.o. | Czech Republic | 50.00% | 50.00% |
| Agastya Films LLP | India | 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, 2013 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 unrealized profits in full for subsidiaries. The 50% share in assets, liabilities, income and expenses as appearing in the financial statements of joint ventures have been combined on line-by-line basis after eliminating intra-group balances/transactions and resulting unrealized profits on proportionate basis. The amounts shown in respect of accumulated reserves comprise 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 recognized 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, 2017

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) (i) Change in Accounting Policy (Accounting for Proposed Dividend)

As per the requirements of pre-revised AS 4, the Company used to create a liability for dividend proposed/ declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the company cannot create provision for dividend proposed/ declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements.

Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by ₹ 69 Lakhs and current provision would have been higher by ₹ 69 Lakhs (including dividend distribution tax of ₹ 11.67 Lakhs)

(a) (ii) 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.

(b) Property, Plant and Equipment (PPE)

Property, plant and equipment, capital work in progress 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, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

(c) Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its Property, Plant and Equipment.

| | Estimated useful lives (in years) |
|----------------------------|--------------------------------------|
| Lease hold land | 30 |
| Building | |
| On freehold land | 30-60 |
| Leased improvements/Facade | 9-30 |
| Roads/hardscaping works | 10 |
| Plant & Machinery | 10-20 |
| Office Equipment | 5 |
| Computers | 3-6 |
| Furniture & Fixtures | 6-10 |
| Vehicles | 8-10 |

(d) 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 lives (in years) |
|-------------------|--------------------------------------|
| Computer software | 6 |
| Development cost | 3-5 |

Research and Development Costs

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 amortized 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

(e) Impairment of fixed assets

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.

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.

(f) 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.

(g) Inventories

Inventories are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or

Cost is determined as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- a) Stores and spare parts: - First-in-first-out method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- 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.

(h) 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 defined benefit plan for its employees viz. gratuity. 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.

The Company also provides other long term benefit for compensated absences. 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.

(i) 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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognized on a straight-line basis over the lease term.

Sale of goods

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. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. 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.

Export Incentive

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption. The benefit accrued under the Duty Drawback, Merchantile Export Incentive Scheme and other schemes as per the Import and Export policy in respect of exports made under the said schemes is included as 'Export Incentives' under the note "other operating revenue" in the statement of profit and loss.

Dividend income

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

Other Operating Income

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

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

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

Income from services are recognized 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.

(j) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized 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 recognized as income or as expense for the year.

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Translation Reserve".

(k) 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 recognized 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.

(l) 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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 recognized 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.

(m) Provisions

A provision is recognized 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.

(n) 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.

(o) 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.

(p) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(a) Segment Reporting

Identification of segments :

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

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.

(r) Excise Duty

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

(s) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 3 - SHARE CAPITAL: | | |
| Authorised Shares: | | |
| 49,20,000 (March 31, 2016 - 49,20,000) Equity shares of ₹10/- each | 492.00 | 492.00 |
| 80,000 (March 31, 2016 - 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, 2016 - 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, 2017, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2.50/- (March 31, 2016: ₹ 2.50/-)

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 shareholder.

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, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| DVK Investments Private Limited | | |
| 12,36,235 (March 31, 2016 - 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 Equity shares of ₹10/- each fully paid | March 31, 2017 | | March 31, 2016 | |
|---|----------------|------------------------|----------------|------------------------|
| | 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 | 1.99 | 8.68% | 1.99 | 8.68% |

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 3 - SHARE CAPITAL: (Contd)

e) Proposed dividends on Equity shares:

The board proposed dividend on equity shares after the balance sheet date

Proposed dividend on equity shares for the year ended on 31 March 2017:
₹ 2.50/- per share (31 March 2016: ₹ 2.50/- per share)

Dividend distribution tax on proposed dividend

| March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|------------------------------|------------------------------|
| 57.33 | 57.33 |
| 11.67 | 11.67 |
| 69.00 | 69.00 |

NOTE 4 - RESERVES AND SURPLUS:

Capital Reserve:

Balance as per the last financial statements

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

Less: Change during the year

107.57 –

1,057.98 **950.41**

General Reserve:

Balance as per the last financial statements

4,736.70 4,736.70

Foreign Currency Translation Reserve:

Balance as per the last financial statements

49.22 46.99

Add: Change during the year

(1.62) 2.23

47.60 **49.22**

Surplus in the statement of profit and loss:

Balance as per last financial statements

5,806.36 5,988.78

Profit for the year

1,009.80 (113.42)

Less: Appropriations

Proposed final equity dividend

– (57.33)

Tax on proposed equity dividend

– (11.67)

Total appropriations

– (69.00)

Net surplus in the statement of profit and loss

6,816.16 **5,806.36**

Total Reserves and surplus

13,868.44 **12,752.69**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Non current | | Current | |
|--|-----------------|-----------------|----------------|-----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| NOTE 5 - LONG-TERM BORROWINGS: | | | | |
| From Bank (secured) for R & D Thane | 123.69 | 30.37 | 75.00 | 75.00 |
| From financial institutions (secured) for R & D Thane | 9.52 | 30.11 | 26.09 | 22.75 |
| From Bank (secured) for Dahej facility | 472.62 | 295.57 | 222.19 | 466.67 |
| Vehicle loan from Bank (secured) (secured against hypothecation of vehicles) | 4.31 | 19.29 | 15.34 | 19.84 |
| From Bank (Secured LRD Loan) for Ceejay House Property | – | 1,402.67 | – | 97.33 |
| Vehicle loan financial institutions (secured) (secured against hypothecation of vehicles) | – | 0.24 | 0.22 | 2.38 |
| From financial institutions (secured) for Dahej facility | – | – | – | 33.49 |
| From Bank (secured) for Thane One (ULPS) | 3,550.00 | – | 643.00 | – |
| From Bank (secured) for Thane One | – | – | – | 3,450.00 |
| | 4,160.14 | 1,778.25 | 981.84 | 4,167.46 |
| The above amount includes | | | | |
| Secured borrowings | 4,160.14 | 1,778.25 | 981.84 | 4,167.46 |
| Unsecured borrowings | – | – | – | – |
| Amount disclosed under the head "other current liabilities" (Refer Note 10) | – | – | (981.84) | (4,167.46) |
| Net amount | 4,160.14 | 1,778.25 | – | – |

Vehicle loans from banks were taken during the financial year 2010-11 to 2016-17 and carry 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.

Loan under lease rental discounting (LRD) from Axis Bank Limited was taken during the previous year by securitisation of Ceejay House rentals and carries interest @ 10.75% p.a. The loan is repayable in 111 monthly installments including interest (EMI). The said LRD Loan is also secured by way of first charge on Equitable Mortgage of Ceejay House owned by Aegean Properties Limited (APL). Further, the LRD Loan has been guaranteed by the personal guarantee of the managing director of the company and its subsidiary company (APL).

Term loans for Thane One Building at Majiwade Thane under "Union Liqui Property Scheme" (ULPS) is taken from Union Bank of India during the financial year with interest rates (BR + 3.40%) 12.85% [March 31, 2016 NIL] repayable after 12 months starting September 08, 2017 in seven yearly installments of ₹6.43 crores each. The said term loans are secured by way of first charge on Equitable Mortgage of Land and Constructions thereon. Further, the loan has been guaranteed by the personal guarantee of the managing director of the Company and the holding company.

Term loans for Thane One Building at Majiwade Thane is taken from Union Bank of India with interest rates (BR + 4.25%) 13.90% [March 31, 2015 (BR + 4.25%) 13.90%] repayable in 12 months starting March 31, 2016 in four quarterly installments. The said term loans are secured by way of first charge on Equitable Mortgage of Land and Constructions thereon. Further, the loan has been guaranteed by the personal guarantee of the managing director of the company and the holding company.

Term loans for setting up a new facility at Dahej SEZ is taken from Union Bank of India with interest rates (BR + 4%) ranging from 13.30% to 13.60% repayable in 60 equal monthly installments. The said term loans are 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/Kullu.

Term Loan for expansion of Dahej facility is taken from Union Bank of India with interest rate (BR+3.75%) i.e.@13.05% to 13.30% repayable in 48 equal monthly installments. The said term loan is secured by way of first charge on fixed assets procured with the financial assistance of the term loan and by equitable mortgage of factory land and building of Dahej/Kullu.

Term Loan for relocation of R & D units / Thane Head office is taken from Union Bank of India with interest rate (BR+3.75%) i.e.@13.05% to 13.30% repayable in 48 equal monthly installments. The said term loan is secured by way of first charge on fixed assets procured with the financial assistance of the term loan and by equitable mortgage of factory land and building of Dahej and Kullu.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

March 31, 2017
March 31, 2016
₹ 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

| | | | |
|-------------------|--|------------------|--|
| 974.72 | | 686.59 | |
| (321.86) # | | (85.60) # | |

Gross deferred tax liability

Deferred tax asset

Provision for gratuity and long term compensated absences

| | | | |
|---------------|--|---------------|--|
| 652.86 | | 600.99 | |
|---------------|--|---------------|--|

| | | | |
|------------------|--|------------------|--|
| 90.53 | | 67.51 | |
| (18.52) # | | (16.88) # | |

Provision for doubtful debts and advances

| | | | |
|-----------------|--|-----------------|--|
| 313.68 | | 158.37 | |
| (6.29) # | | (8.26) # | |

Gross deferred tax asset

Net deferred tax liability

| | | | |
|---------------|--|---------------|--|
| 379.40 | | 200.74 | |
| 273.46 | | 400.25 | |

In absence of virtual certainty the Company has not recognized deferred tax assets (DTA)/deferred tax liability (DTL) on timing differences arising from disallowance of accumulated depreciation and other items.

Non current

March 31, 2017 **March 31, 2016**
₹ in Lakhs ₹ in Lakhs

Current

March 31, 2017 **March 31, 2016**
₹ in Lakhs ₹ in Lakhs

NOTE 7 - OTHER LONG-TERM LIABILITIES:

Liability for capital expenditure

Deposits from tenants

Amount disclosed under "other current liabilities" (Refer Note 10)

| | | | |
|---------------|--------------|-----------------|-----------------|
| — | — | 451.95 | 602.13 |
| 335.44 | 69.71 | 0.20 | 261.92 |
| — | — | (452.15) | (864.05) |
| 335.44 | 69.71 | — | — |

Long Term

March 31, 2017 **March 31, 2016**
₹ in Lakhs ₹ in Lakhs

Short Term

March 31, 2017 **March 31, 2016**
₹ in Lakhs ₹ in Lakhs

NOTE 8 - PROVISIONS:

Provision for employee benefits

Gratuity

Long term compensated absences

| | | | |
|---------------|---------------|--------------|--------------|
| 25.18 | — | — | — |
| 210.11 | 178.73 | 46.92 | 51.27 |
| 235.29 | 178.73 | 46.92 | 51.27 |

Other provisions

Proposed dividend

Provision for tax on proposed equity dividend

Taxation, net of advance taxes

(other than deferred tax)

| | | | |
|---------------|---------------|--------------|---------------|
| — | — | — | 57.33 |
| — | — | — | 11.67 |
| — | — | 27.98 | 154.80 |
| — | — | 27.98 | 223.80 |
| 235.29 | 178.73 | 74.90 | 275.07 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 9 - SHORT TERM BORROWINGS: | | |
| Cash credit from banks (Secured/Unsecured) from Union Bank of India | 1,673.31 | 1,533.33 |
| Packing Credit (Secured) from Union Bank of India | 1,132.00 | 1,200.62 |
| Inter corporate deposit (ICD) from Allegro Corporate Finance Advisors Pvt. Ltd. (Unsecured) | 350.00 | 200.00 |
| Buyers Credit from bank (Secured) | 188.85 | — |
| Buyers Credit from bank (Unsecured) | 368.86 | — |
| | 3,713.02 | 2,933.95 |
| The above amount includes | | |
| Secured borrowings | 2,994.16 | 2,689.71 |
| Unsecured borrowings | 718.86 | 244.24 |
| Packing credit, post shipment credit, buyers 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, buyers credit and cash credit are repayable on demand. | | |
| Buyers credit is taken from DBS Bank secured by lien on deposit of ₹100 Lakhs. | | |
| The buyers credit from Union Bank of India & DBS Bank is at interest rate Libor+1.75% and Libor+1.65% respectively & ICD from Allegro Corporate Finance Advisors Pvt. Ltd carries interest rate of 12% p.a. | | |
| The interest rate for preshipment credit in foreign currency is at Libor+3.5% and interest rate for export credit in rupee and cash credit is 10.80% and 13.3% respectively. | | |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 10 - CURRENT LIABILITIES: | | |
| Trade payables | | |
| Total outstanding dues of micro and small enterprises | 20.20 | 5.14 |
| Total outstanding dues of creditors other than micro and small enterprises | 2,816.34 | 1,972.19 |
| | 2,836.54 | 1,977.33 |
| Other current liabilities: | | |
| Current maturities of long-term borrowings (Refer Note 5) | 981.84 | 4,167.46 |
| Current maturities of deposits from tenants (Refer Note 7) | 0.20 | 261.92 |
| Advance from customers | 35.24 | 29.27 |
| Interest accrued and due on borrowings | 84.34 | 21.96 |
| Unclaimed dividends | 25.00 | 27.67 |
| Others | | |
| Statutory dues | 106.40 | 124.60 |
| Liability for capital expenditure (Refer Note 7) | 451.95 | 602.13 |
| Others | 368.65 | 427.00 |
| | 2,053.62 | 5,662.01 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT:

(₹ in Lakhs)

| | Freehold Land | Leasehold Land | Buildings | Plant and equipment | Furniture and fixtures | Vehicle | Leasehold improvements | Total |
|----------------------------------|---------------|----------------|------------------|---------------------|------------------------|----------------|------------------------|------------------|
| At April 1, 2015 | 56.83 | 308.93 | 3,768.40 | 7,688.68 | 494.44 | 456.52 | 295.73 | 13,069.53 |
| Additions | – | – | 6,744.71 | 2,383.29 | 0.72 | 27.46 | – | 9,156.18 |
| Disposal | – | – | (649.94) | (391.47) | (116.36) | (26.84) | – | (1,184.61) |
| At March 31, 2016 | 56.83 | 308.93 | 9,863.17 | 9,680.50 | 378.80 | 457.14 | 295.73 | 21,041.10 |
| Additions | – | – | 383.11 | 1,228.51 | 19.34 | 1.08 | – | 1,632.04 |
| Disposal | – | – | (40.92) | (3.07) | (101.13) | (23.91) | – | (169.03) |
| At March 31, 2017 | 56.83 | 308.93 | 10,205.36 | 10,905.94 | 297.01 | 434.31 | 295.73 | 22,504.11 |
| Depreciation | | | | | | | | |
| At April 1, 2015 | – | 52.58 | 1,227.94 | 3,108.03 | 405.04 | 213.82 | 93.27 | 5,100.68 |
| Adjustment refer note (7) | – | – | – | – | – | – | – | – |
| Charge for the year | – | 10.83 | 173.01 | 483.88 | 14.09 | 57.60 | 9.69 | 749.10 |
| Disposal | – | – | (649.93) | (241.48) | (116.35) | (22.01) | – | (1,029.77) |
| At March 31, 2016 | – | 63.41 | 751.02 | 3,350.43 | 302.78 | 249.41 | 102.96 | 4820.01 |
| Adjustment refer Note (7) | – | – | – | – | – | – | – | – |
| Charge for the year | – | 10.84 | 269.78 | 615.40 | 22.34 | 52.28 | 9.69 | 980.33 |
| Disposal | – | – | (33.00) | (1.70) | (101.14) | (22.71) | – | (158.55) |
| At March 31, 2017 | – | 10.84 | 236.78 | 613.70 | (78.80) | 29.57 | 9.69 | 821.78 |
| Impairment loss | | | | | | | | |
| At April 1, 2015 | – | – | – | 9.97 | – | – | – | 9.97 |
| Charge for the year | – | – | – | – | – | – | – | – |
| At March 31, 2016 | – | – | – | 9.97 | – | – | – | 9.97 |
| Charge for the year | – | – | – | – | – | – | – | – |
| At March 31, 2017 | – | – | – | 9.97 | – | – | – | 9.97 |
| Net Block | | | | | | | | |
| At March 31, 2016 | 56.83 | 245.52 | 9,112.15 | 6,320.10 | 76.02 | 207.73 | 192.77 | 16,211.12 |
| At March 31, 2017 | 56.83 | 234.68 | 9,217.56 | 6,931.84 | 73.03 | 155.33 | 183.08 | 16,852.35 |

Note:

- Land includes ₹8.06 Lakhs being cost of land held in trust by Directors of the Company.
- Consequent upon receipt of Occupancy Certificate on 31.12.2015, the Company has capitalised ₹8,977.43 lakhs on 01.01.2016 for "Thane One Building" along with its infrastructure and utilities including capitalisation of interest (net) on borrowed funds ₹767.72 lakhs and soft cost of ₹1,039.05 lakhs. As a result the incremental depreciation is ₹83.42 lakhs.
- Plant and equipment includes:
 - Assets held for disposal:
 - Gross block ₹26.53 Lakhs (March 31, 2016 - ₹26.53 Lakhs)
 - Net block ₹Nil (March 31, 2016 - ₹Nil)
- Share in joint venture assets
 - Gross Value ₹4.21 Lakhs (March 31, 2016 - ₹4.21 Lakhs)
 - Accumulated depreciation ₹4.21 Lakhs (March 31, 2016: ₹4.21 Lakhs)
 - Net block ₹Nil (March 31, 2016 - ₹Nil)
 - Depreciation ₹Nil (March 31, 2016) - ₹Nil)
- Vehicles includes hypothecated to banks:
 - Gross block ₹63.27 Lakhs (March 31, 2016 - ₹108.25 Lakhs)
 - Depreciation charge for the year ₹8.02 Lakhs (March 31, 2016: ₹8.24 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 11 - TANGIBLE ASSETS: (contd.)

- Accumulated depreciation ₹10.11 Lakhs (March 31, 2016: ₹25.79 Lakhs)
- Net block ₹49.11 Lakhs (March 31, 2016 - ₹80.59 Lakhs)

6 Leasehold improvements include 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 | Total |
| Gross Block | | | |
| At April 1, 2015 | 144.13 | 442.76 | 586.89 |
| Purchase | 12.12 | 160.12 | 172.24 |
| Disposal | (16.76) | — | (16.76) |
| At March 31, 2016 | 139.49 | 602.88 | 742.37 |
| Purchase | 9.09 | — | 9.09 |
| Disposal | — | — | — |
| At March 31, 2017 | 148.58 | 602.88 | 751.46 |
| Amortization | | | |
| At April 1, 2015 | 92.69 | 395.23 | 487.92 |
| Charge for the year | 19.47 | 66.43 | 85.90 |
| Disposal | (16.76) | — | (16.76) |
| At March 31, 2016 | 95.40 | 461.66 | 557.06 |
| Charge for the year | 16.66 | 44.94 | 61.60 |
| Disposal | — | — | — |
| At March 31, 2017 | 112.06 | 506.60 | 618.66 |
| Net Block | | | |
| At March 31, 2016 | 44.09 | 141.22 | 185.31 |
| At March 31, 2017 | 36.52 | 96.28 | 132.80 |

March 31, 2017 March 31, 2016
₹ in Lakhs ₹ 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, 2016 - 59,000) Equity shares of ₹10 each fully paid up | | |
| Abbott India Limited (AIL). (quoted) | 0.01 | 0.01 |
| 139 (March 31, 2016 - 139) Equity shares of ₹10 each fully paid-up | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 13 - NON-CURRENT INVESTMENTS: (contd.) | | |
| Shivalik Solid Waste Management Limited (unquoted) 20,000 (March 31, 2016 - 20,000) Equity shares of ₹10/- each fully paid-up | 2.00 | 2.00 |
| Syngene International Limited (unquoted) (Refer Note (a) below) Nil (March 31, 2016 - 6,87,224) Equity shares of ₹10/- each fully paid-up | — | 366.50 |
| Non-trade investments (valued at cost unless stated otherwise) (unquoted) | | |
| Health and Wellness India Private Limited (Refer Note (b) below) 30,12,504 (March 31, 2016 - 30,12,504) Equity shares of ₹10 each fully paid-up (includes goodwill of ₹244.82 Lakhs (March 31, 2016 ₹244.82 Lakhs) | — | 9.42 |
| Zela Wellness Private Limited (Refer Note (b) below) 1,03,234 (March 31, 2016 - 19,600) Equity shares of ₹10 each fully paid-up | 207.17 | — |
| | — | — |
| Subscription/application money | | |
| Health and Wellness India Private Limited (Refer Note 31) | 247.20 | 309.86 |
| Zela Wellness Private Limited (Refer Note 31) | — | 175.00 |
| Noble Explochem Ltd | 597.00 | 597.00 |
| | 1,059.28 | 1,465.69 |
| Less: Provision for diminution in value of investments * | 10.90 | 5.90 |
| | 1,048.38 | 1,459.79 |
| Aggregate amount of quoted investments (Market value: ₹6.45 Lakhs (March 31, 2016 - ₹2647.22 Lakhs)) | 0.01 | 366.51 |
| Aggregate amount of unquoted investments | 1,048.38 | 1,093.28 |
| Aggregate provision for diminution in value of investments | 10.90 | 5.90 |

Note: (a) During the year Company has sold its investment of 6,87,224 equity shares of ₹ 10 each of Syngene International Limited and recognised a profit of ₹ 2,466.17 Lakhs,

(b) The share of losses in HWIPL of ₹ 537.66 Lakhs of HWIPL and in Zela of ₹ 17.83 Lakhs have been adjusted against the value of respective investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Non current | | Current | |
|--|----------------|----------------|-----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| NOTE 14 - LOANS AND ADVANCES: | | | | |
| Capital advances | | | | |
| Unsecured, considered good | 540.71 | 384.14 | — | — |
| | 540.71 | 384.14 | — | — |
| Security deposit | | | | |
| Unsecured, considered good | 180.45 | 163.50 | — | — |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | 24.39 | 34.79 | 663.22 | 394.41 |
| Doubtful | 24.09 | 24.09 | 25.86 | 13.68 |
| | 48.48 | 58.88 | 689.08 | 408.09 |
| Provision for doubtful advances | 24.09 | 24.09 | 25.86 | 13.68 |
| | 24.39 | 34.79 | 663.22 | 394.41 |
| Other loans and advances (unsecured) | | | | |
| Inter corporate deposit | 267.83 | 267.84 | — | — |
| Advance income-tax (net of provision for taxation) | — | — | 38.13 | 391.80 |
| MAT credit entitlement | — | — | 69.64 | 0.64 |
| Prepaid expenses | — | — | 72.68 | 58.41 |
| Loans to employees | 33.47 | 35.36 | 39.40 | 31.28 |
| Balances with statutory/government authorities | — | — | 210.63 | 204.23 |
| Others | — | 2.01 | — | — |
| | 301.30 | 305.21 | 430.48 | 686.36 |
| Less: Provision for doubtful inter corporate deposit | 267.83 | 267.83 | — | — |
| | 33.47 | 37.38 | 430.48 | 686.36 |
| | 779.02 | 619.81 | 1,093.70 | 1,080.77 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | Non current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ 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 | – | – | 836.68 | 709.79 |
| Considered doubtful | 589.42 | 176.06 | – | 5.97 |
| | 589.42 | 176.06 | 836.68 | 715.76 |
| Less: Provision for doubtful debts | 589.42 | 176.06 | – | 5.97 |
| | – | – | 836.68 | 709.79 |
| Other receivables | | | | |
| Considered good | – | – | 3,620.42 | 3,590.77 |
| | – | – | 4,457.10 | 4,300.56 |

| | Non current | | Current | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| 15.2. Other assets | | | | |
| Unsecured, considered good unless stated otherwise | | | | |
| Non-current bank deposit balances (Refer Note 18) | 12.00 | 15.04 | 153.71 | 198.68 |
| Interest accrued (Refer Note 30 (iii)) | – | – | 6.88 | 187.74 |
| Export Incentive receivable | – | – | 326.30 | 216.67 |
| | 12.00 | 15.04 | 486.89 | 603.09 |

| | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| NOTE 16 - CURRENT INVESTMENTS: | | |
| Current investments (valued at lower of cost and fair value, unless stated otherwise) | | |
| Quoted | | |
| Union KBC Capital Protection Oriented Fund - Series 5 Nil (March 31, 2016 - 5,00,000) units of ₹ 10 each | – | 50.00 |
| Union KBC Dynamic Bond Fund Nil (March 31, 2016 - 2,27,324.392) units of ₹ 10 each | – | 30.00 |
| Union Capital Protection Oriented Fund - Series 7 10,00,000 (March 31, 2016 - Nil) units of ₹ 10 each | 100.00 | – |
| | 100.00 | 80.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 17. INVENTORIES (valued at lower of cost and net realizable value): | | |
| Raw materials and components (includes in transit of ₹ 50.82 Lakhs (March 31, 2016: ₹78.51 Lakhs)) | 1,950.90 * | 1,394.79 |
| Work-in-progress - Motion Film production (Refer note no. 30(ii)) | 548.47 * | 294.71 |
| Work-in-progress | 1,435.22 * | 787.91 |
| Finished goods | 323.77 | 182.89 |
| Stores and spares | 181.49 | 136.44 |
| | <u>4,439.85</u> | <u>2,796.74</u> |

| | Non current | | Current | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
| NOTE 18. CASH AND BANK BALANCES: | | | | |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| With scheduled banks on: | | | | |
| Current account | - | - | 181.49 | 400.64 |
| Unclaimed dividend account | - | - | 25.00 | 27.67 |
| Deposits with original maturity of less than three months | - | - | 0.03 | 0.03 |
| With non-scheduled bank on: | | | | |
| Current account # | - | - | 35.57 | 44.86 |
| Cash on hand | - | - | 8.50 | 5.56 |
| | <u>-</u> | <u>-</u> | <u>250.59</u> | <u>478.76</u> |
| Other bank balances | | | | |
| Deposits with original maturity for more than 12 months | - | 0.70 | - | - |
| Margin money deposit ## | 12.00 | 14.34 | 153.71 | 184.34 |
| | <u>12.00</u> | <u>15.04</u> | <u>153.71</u> | <u>184.34</u> |
| Amount disclosed under non-current assets (Refer note 15.2) | (12.00) | (15.04) | (153.71) | (184.34) |
| | <u>-</u> | <u>-</u> | <u>250.59</u> | <u>478.76</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| # includes | Maximum balance outstanding during the year | | Balance as on | |
|--|---|------------------------------|------------------------------|------------------------------|
| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
| Ceskoslovenska obchodni banka, a.s. Czech Republic | 0.80 | 14.92 | 0.87 | 0.87 |
| Komerční banka, a.s. Czech Republic | 0.01 | 0.01 | 0.01 | 0.01 |
| National Westminster Bank Plc. London | 34.69 | 42.89 | 34.69 | 43.98 |
| | | | <u>35.57</u> | <u>44.86</u> |

Margin money deposits with a carrying amount of ₹153.71 Lakhs (March 31, 2016 ₹ 68.68 Lakhs) are subject to first charge to secure the letters of credit facilities availed by the Company.

Deposit in the form of Debt Security Reserve (DSR) with Axis Bank Limited is reclassified under other assets. (Refer note 15.2) ₹Nil Lakhs (March 31, 2016 ₹130 Lakhs)

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 19 - REVENUE FROM OPERATIONS: | | |
| Sale of products | | |
| Finished goods | 15,689.37 | 14,419.08 |
| Traded goods | 35.76 | 218.52 |
| Rent Income | 465.89 | 523.43 |
| Service Income | 65.27 | 19.78 |
| Interest Income on Security Deposit and others | 4.58 | 5.16 |
| Other Operating Revenue | | |
| Exports Incentive | 341.65 | 303.04 |
| Exchange gain (net) | 200.75 | 242.20 |
| Insurance Claim | - | 39.19 |
| Sales of Scrap | 5.86 | 4.75 |
| Revenue from Operation (gross) | 16,809.13 | 15,775.15 |
| Less: Excise Duty | 155.89 | 294.77 |
| Revenue from Operation (net) | <u>16,653.24</u> | <u>15,480.38</u> |

NOTE 20 - OTHER INCOME:

| | | |
|---|--------------|---------------|
| Profit on sale/redemption of current investments - other than trade | 13.15 | 46.75 |
| Less: Loss on sale/redemption of current investments - other than trade | - | 13.15 |
| Dividend Income from investments: | 0.25 | (5.07) |
| Interest income on: | | |
| Bank deposits | 15.96 | 36.28 |
| Inter-corporate deposits | - | 16.01 |
| Income-tax refunds | 25.64 | - |
| Security deposits and others | 14.81 | 7.68 |
| | <u>56.41</u> | <u>59.97</u> |
| Other non operating Income | 7.95 | 17.07 |
| | <u>77.76</u> | <u>125.84</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| NOTE 21.1 - COST OF RAW MATERIAL AND COMPONENTS CONSUMED: | | |
| Inventories of raw material / packing material at the beginning of the year | 1,392.24 | 1,035.12 |
| Add: Purchases | 8,155.63 | 6,641.95 |
| Less : Inventories of raw material / packing material at the end of the year | 1,948.56 | 1,392.24 |
| | <u>7,599.31</u> | <u>6,284.83</u> |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 22 - (INCREASE)/DECREASE IN INVENTORIES: | | |
| Inventory at the end of the year (Refer Note 17) | | |
| Work-in-progress | 1,425.18 | 777.00 |
| Finished goods | 319.36 | 178.10 |
| | <u>1,744.54</u> | <u>955.10</u> |
| Inventories at the beginning of the year (Refer Note 17) | | |
| Work-in-progress | 777.00 | 810.41 |
| Finished goods | 178.10 | 91.63 |
| | <u>955.10</u> | <u>902.04</u> |
| | <u>(789.44)</u> | <u>(53.06)</u> |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 23 - EMPLOYEE BENEFITS EXPENSE: | | |
| Salaries, wages and bonus | 2,626.65 | 2,419.46 |
| Contribution to provident and other funds | 136.13 | 126.89 |
| Gratuity expenses (Refer Note 28 (b) (iv)) | 65.89 | 24.85 |
| Employee welfare expenses | 291.32 | 225.54 |
| | <u>3,119.99</u> | <u>2,796.74</u> |

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 24 - DEPRECIATION AND AMORTIZATION EXPENSE: | | |
| Depreciation of tangible assets | 980.33 | 749.10 |
| Amortization of intangible assets | 61.60 | 85.90 |
| | <u>1,041.93</u> | <u>835.00</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| NOTE 25 - FINANCE COST: | | |
| Interest on term loans | 617.45 | 245.75 |
| Interest on intercorporate deposits | 34.87 | 1.99 |
| Interest on Working Capital | 9.80 | 302.49 |
| Interest on others | 220.82 | 45.41 |
| Loan Processing Fees | 183.54 | 19.05 |
| | <u>1,066.48</u> | <u>614.69</u> |
| NOTE 26 - OTHER EXPENSES: | | |
| Consumption of stores and spares | 638.56 | 468.07 |
| Processing charges | 595.31 | 445.12 |
| Power and fuel | 974.54 | 850.81 |
| Water | 22.83 | 16.43 |
| Rates and taxes | 199.20 | 152.98 |
| Excise duty expenses | 10.59 | 59.39 |
| Rent | 108.89 | 72.20 |
| Insurance | 84.36 | 74.76 |
| Repairs and maintenance: | | |
| Plant and machinery | 122.26 | 94.24 |
| Buildings | 45.51 | 55.23 |
| Others | 302.23 | 140.81 |
| Commission and discounts on sales | 126.86 | 147.33 |
| Advertising and sales promotion expenses | 126.32 | 168.72 |
| Packing, freight and distribution expenses | 294.31 | 255.19 |
| Travelling and conveyance | 364.86 | 388.23 |
| Legal and professional charges | 334.01 | 382.54 |
| Payment to auditors (Refer Note below) | 45.02 | 43.38 |
| Exchange loss (net) | 6.31 | — |
| Communication costs | 46.80 | 44.59 |
| Donation | 21.67 | 31.66 |
| Directors' sitting fees | 6.60 | 10.60 |
| Printing and stationery | 75.55 | 60.02 |
| Staff recruitment expenses | 43.51 | 16.25 |
| Provision for doubtful advances | — | 4.24 |
| Provision for doubtful debts | 425.54 | 5.39 |
| Bad debts | 5.97 | 10.00 |
| Less: Provision for doubtful debts | <u>(5.97)</u> | <u>—</u> |
| Provision for diminution in long term investments | 5.00 | — |
| Loss on sale of fixed assets (net) | 0.32 | 48.50 |
| Loss on deletion of fixed assets | 9.05 | 4.91 |
| Miscellaneous expenses | 386.88 | 220.24 |
| | <u>5,422.89</u> | <u>4,271.83</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 26 - OTHER EXPENSES: (Contd..)

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Payment to auditors' | | |
| As auditor | | |
| Audit fee | 21.35 | 22.35 |
| Tax audit fees | 6.85 * | 4.70 * |
| Limited review | 13.50 | 13.50 |
| In other capacity in respect of: | | |
| Other services (certification fees) | 1.25 | 0.75 * |
| Reimbursement of expenses | 2.07 * | 2.08 * |
| | <u>45.02</u> | <u>43.38</u> |
| * includes amount payable to another auditor | | |

NOTE 27 - EARNINGS PER SHARE (EPS):

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Profit/(loss) after tax | 1,009.80 | (113.42) |
| | 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): | 44.04 | (4.95) |

NOTE 28 - EMPLOYEE BENEFITS:

The Company operates two employee benefit plans namely i) defined contribution plan, which includes Provident fund and Superannuation ii) Defined benefit plan which includes contribution to gratuity fund (funded).

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, 2017 ₹ in Lakhs | March 31, 2016 ₹ 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 | 134.99 | 125.75 |
| - Superannuation scheme | 1.14 | 1.14 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

b) Defined Benefit Plan

Gratuity - As per actuarial valuation

| | March 31, 2017 | March 31, 2016 |
|---|--------------------------|----------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| | Gratuity (Funded) | |
| i) Changes in the present value of the defined benefit: | | |
| Opening | 200.62 | 164.46 |
| Interest cost | 15.61 | 13.66 |
| Current service cost | 22.22 | 20.75 |
| Benefits paid | (22.59) | (8.47) |
| Actuarial (gains) / losses on obligation | 56.75 | 10.22 |
| Closing | 272.61 | 200.62 |
| ii) Changes in fair value of plan assets | | |
| Opening | 215.74 | 186.04 |
| Expected return on plan assets | 16.16 | 16.35 |
| Actuarial (gains) / losses on obligation | 11.47 | 1.56 |
| Employer's contribution | 30.18 | 20.26 |
| Benefits paid | (22.59) | (8.47) |
| Closing | 250.96 | 215.74 |
| iii) Amounts recognised in balance sheet | | |
| Present value of defined benefit obligation | (272.61) | (200.62) |
| Fair value of plan asset | 250.96 | 215.74 |
| Amount not recognised as Asset | — | (1.06) |
| Net Asset / (liability) recognised in balance sheet | (21.64) | 14.07 |
| iv) Amounts recognised in profit and loss account | | |
| Current service cost | 22.22 | 20.75 |
| Interest cost | 15.61 | 13.66 |
| Expected return on plan assets | (16.16) | (16.35) |
| Net actuarial (gain) / loss recognised | 45.28 | 8.66 |
| Amount not recognised as Asset | (1.06) | (1.87) |
| Total expense | 65.89 | 24.85 |
| v) Actual return on plan assets | 27.63 | 27.16 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

March 31, 2017 March 31, 2016
₹ in Lakhs ₹ in Lakhs
Gratuity (Funded)

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

vi) Principal assumptions used in actuarial valuation

| | | |
|--------------------------------|------------------------|-----------------|
| Discount rate | 6.85 % - 7 % | 7.85 % |
| Expected return on plan assets | 7.50 % | 8.00 % |
| Salary escalation rate | 7 % | 5 % |
| Withdrawal rate | 21 to 30 - 10 % | 21 to 30 - 10 % |
| | 31 to 40 - 5 % | 31 to 40 - 5 % |
| | 41 to 50 - 3 % | 41 to 50 - 3 % |
| | 51 to 57 - 2 % | 51 to 57 - 2 % |

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% | 99% | 100% | 99% |
| Investments with others | Nil | 4% | Nil | 1% |

Gratuity (Funded)

| | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|--|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| viii) Amounts for the current and previous three periods | | | | | |
| Defined benefit obligation | 272.61 | 202.03 | 164.46 | 190.59 | 180.89 |
| Plan Assets | 250.96 | 217.16 | 186.04 | 189.28 | 176.33 |
| Surplus/(deficit) | (21.65) | 15.13 | 21.58 | (1.31) | (4.56) |
| Experience Adjustments on plan liabilities | 9.63 | 9.38 | 2.92 | (12.23) | (11.24) |
| Experience Adjustments on plan assets | 11.47 | 1.56 | (1.74) | (3.16) | 1.15 |

- 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 takes into 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 2017-18 ₹ 20 Lakhs (March 31, 2017 ₹ 20 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

March 31, 2017 March 31, 2016
₹ in Lakhs ₹ 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.

| | | | |
|---|---|--------|-------|
| 1 | Lease payments recognised in the statement of profit and loss for the year. | 108.89 | 72.20 |
| 2 | Future minimum lease payment under non cancellable leases in the aggregate and for each of the following periods: | | |
| | i) Not later than one year | 43.05 | 70.86 |
| | ii) Later than one year and not later than five years. | 28.30 | 66.79 |

Assets given on operating lease

The Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease periods expiring on September 30, 2018. However the agreement got terminated w.e.f 31.07.2016, have rent escalation provisions of 15% after 3 years.

The Company has also entered into operating lease agreements for its properties in Thane with original lease periods expiring between 2010 and 2016. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5% every year.

| | | | |
|---|--|--------|--------|
| 1 | Rent income recognised in the statement of profit and loss for the year. (includes rentals on sub-lease of ₹140.22 lakhs (March 31, 2016 ₹420.67 lakhs which is terminated w.e.f. 31.07.2016) | 465.89 | 523.43 |
| 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 | 463.93 | 394.46 |
| | ii) Later than one year and not later than five years | 759.98 | 408.59 |
| | iii) More than five years | — | — |

NOTE 30 (i) INTEREST IN JOINT VENTURE:

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 30 (i) INTEREST IN JOINT VENTURE: (contd.)

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, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Percentage of holding | 50% | 50% |
| Current assets | 18.49 | 20.11 |
| Non-current assets | 0.82 | 0.88 |
| Current liabilities | (0.83) | (0.90) |
| Non-current liabilities | — | — |
| Equity | 18.48 | 20.09 |
| Income | — | — |
| Other expenses | — | — |
| Profit before tax | — | — |
| Income tax expenses | — | — |
| Profit after tax | — | — |
| Commitments and 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 earlier year.

- (ii) The company holds 50% interest in Agastya Films LLP, a joint controlled entity which is involved in business of film production.

The proportionate share in the assets, liabilities, income and expenditure of the above joint venture is based on accounts prepared as per Indian GAAP, is as follows:-

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Percentage of holding | 50% | 50% |
| Current assets | 550.50 | 333.21 |
| Current liabilities | (20.86) | (45.29) |
| Equity | 529.82 | 287.92 |
| Income | 0.01 | 0.01 |
| Other expenses | 0.10 | 0.10 |
| Profit before tax | (0.09) | 0.09 |
| Income tax expenses | — | — |
| Profit after tax | (0.09) | (0.09) |
| Commitments and contingent liabilities | — | — |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 31 - During the previous year, Company has entered into supplementary agreement with other investors in Zela Wellness Private Limited (Zela) to convert the said additional share subscription money of ₹175 Lakhs invested in Zela Wellness Private Limited (Zela) into 0.001% Non Cumulative Compulsory Convertible Preference shares. On consolidation/merging of operations of Health & Wellness India Private Limited (H&W) & Zela Wellness Private Limited (Zela) into resultant unified entity, the said preference shares of Zela Wellness Private Limited (Zela) to be converted in to equity shares of resultant unified Company. Post completion of unification of operations and conversion of preference shares into equity shares of the unified entity and on shareholding alignment, the Company will own 53.67% stake in the combined entity.

However during the current year Zela Wellness Private Limited (Zela) cancelled the said supplementary agreement and decided not to proceed with issue of Non-Cumulative Convertible Preference shares and refunded the Share Application Money of ₹175 Lakhs

During the current year along with other/new investors the company invested ₹175 Lakhs in Zela Wellness Private Limited (Zela) and acquired 83,634 equity shares of ₹10 each, consequently the company's equity holding in Zela Wellness Private Limited (Zela) is 29.50% as against earlier 49%.

NOTE 32 - 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. (Strike off w.e.f. 15.09.2015)

c. Key Management Personnel

1. Mr. Krishna Datla - Managing Director
2. Mr. Satish Varma - Managing Director (FBL).
3. Ms. Anupama Datla Desai - Executive Director (FBL).
4. Mr. Keshav H Kashid - Chief Financial Officer (upto 15.02.2017). Thereafter designated as "President Finance"
5. Mr. Prashant Nagre - Chief Executive Officer (FBL).
6. Mr. Srikant N Sharma - Company Secretary (FBL)
7. Mr. Sumesh Gandhi - Chief Financial Officer (w.e.f. 16.02.2017)
8. Mr. Kapil Gohil - Chief Financial Officer
9. Mr. Sanjay Basantani - Company Secretary (FBL) (upto 08.02.2017)
10. Mr. Varadvinayak Khambete - Company Secretary (FBL) (w.e.f. 27.02.2017)

d. Associates

1. Health and Wellness India Private Ltd.
2. Zela Wellness Private Ltd.

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

Magnolia FNB Private Ltd.

Dupen Laboratories Pvt Ltd.

Lacto Cosmetic (Vapi) Pvt. Ltd.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 32 - RELATED PARTY DISCLOSURES (contd.):

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 Remuneration | | | | | |
| - Mr. Satish Varma | | | 74.43 (88.44) | | |
| - Mr. Krishna Datla | | | 92.07 (70.29) | | |
| - Mr. Keshav H Kashid | | | 73.39 (52.58) | | |
| - Mr. Prashant Nagre | | | 89.16 (87.27) | | |
| - Mr. Sumesh Gandhi | | | 6.56 (-) | | |
| - Mr. Srikant N Sharma | | | 37.21 (25.55) | | |
| - Ms. Anupama Datla Desai | | | 58.55 (75.02) | | |
| - Mr. Varadvinayak Khambte | | | 0.91 - | | |
| - Mr. Kapil Gohil | | | 39.31 (31.45) | | |
| - Mr. Sanjay Basantani | | | 16.45 (16.94) | | |
| Directors sitting fees | | | | | |
| DIL Limited | | | 1.00 (1.45) | | |
| Fermenta Biotech Limited | | | 0.85 (1.55) | | |
| 2 Share application money refunded by Zela Wellness Private Ltd | | | | | 175.00 (-) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 32 - 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 |
| 3 Sales | | | | | |
| - Dupen Laboratories Private Ltd. | | | | - (14.16) | |
| 4 Purchase of raw material | | | | | |
| - Dupen Laboratories Private Ltd. | | | | 9.49 (7.64) | |
| - Lacto Cosmetics (Vapi) Private Ltd. | | | | 5.54 (5.54) | |
| 5 Processing Charges paid | | | | | |
| - Lacto Cosmetics (Vapi) Private Ltd. | | | | 10.66 (7.20) | |
| 6 Rent income | | | | | |
| - DVK Investment Private Ltd. | 1.23 (1.49) | | | | |
| - Magnolia FNB Private Ltd. | | | | 0.98 (1.20) | |
| 7 Investment in equity share capital (Refer Note 13) | | | | | |
| - Agastya Films LLP | | | | | 262.00 (268.00) |
| - Zela Wellness Private Ltd. | | | | | 175.00 (-) |
| 8 Balance outstanding as at the year end | | | | | |
| a.Trade payable | | | | | |
| - Lacto Cosmetics (Vapi) Pvt. Ltd. | | | | 3.18 (4.23) | |
| - Dupen Laboratories Private Ltd. | | | | 3.50 (8.58) | |
| - Mr. Prashant Nagre | | | 7.91 (14.39) | | |
| - Ms. Anupama Datla Desai | | | - (23.33) | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 32 - 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 |
| - Mr. Satish Varma | | | - (23.33) | | |
| - Mr. Kapil Gohil | | | 1.65 (3.00) | | |
| - Mr. Sanjay Basantani | | | - (1.60) | | |
| b.Trade receivables | | | | | |
| - Dupen Laboratories Private Ltd. | | | | - (4.14) | |

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 33 - 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

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)

| | 2016-2017 | | | |
|---|--------------------------|--------------------|--------------------|-------------------------------|
| | 2015-2016 | | | |
| | Bulk Drugs/ Chemicals | Property | Entertainment | Total |
| a. Revenue | | | | |
| 1. Segment revenue | 16,129.21 14,969.05 | 604.19 631.41 | — — | 16,733.40 15,600.46 |
| Less: Inter-segment revenue | — — | 80.18 119.72 | — — | 80.18 119.72 |
| Unallocated revenue | | | | 77.78 125.48 |
| 2. Total | | | | 16,731.00 15,606.22 |
| b. Result | | | | |
| 1. Segment result / operating profit / (loss) | 1,612.40 2,168.45 | (373.45) 159.42 | (86.00) (92.56) | 1,152.95 2,235.31 |
| 2. Finance costs | | | | 1,066.48 614.69 |
| 3. Unallocable income/(expenditure) (net) | | | | (838.84) (924.54) |
| <i>Exceptional Items</i> | | | | |
| Profit on sale of shares | | | | 2,466.17 — |
| 4. Profit before tax | | | | 1,713.80 696.08 |
| 5. Prior period amortization adjustment | | | | (33.22) — |
| 6. Provision for tax | | | | |
| - current tax | | | | 382.46 349.10 |
| - deferred tax | | | | (126.79) 75.72 |
| 7. Profit after tax | | | | 1,424.91 271.26 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 33 - SEGMENT INFORMATION (contd.):

| (₹ in Lakhs) | | | | |
|--|--------------------------------------|------------------------------------|--------------------------------|--------------------------------------|
| 2016-2017 | | | | |
| 2015-2016 | | | | |
| | Bulk Drugs/ Chemicals | Property | Entertainment | Total |
| c. Other information | | | | |
| 1. Segment assets | 17,848.36 <i>15,650.27</i> | 9,950.63 <i>9,560.79</i> | 243.15 <i>290.87</i> | 28,042.14 <i>25,501.93</i> |
| 2. Unallocated corporate assets | | | | 2,572.57 <i>3,322.29</i> |
| 3. Total assets | | | | 30,614.71 <i>28,824.22</i> |
| 4. Segment liabilities | 6,123.02 <i>4,912.99</i> | 814.28 <i>937.11</i> | 247.96 <i>292.35</i> | 7,185.26 <i>6,142.45</i> |
| 5. Unallocated corporate liabilities | | | | 9,331.69 <i>9,699.76</i> |
| 6. Total liabilities | | | | 16,516.95 <i>15,842.21</i> |
| 7. Cost incurred during the year to acquire | | | | |
| - segment tangible and intangible assets | 1,093.89 <i>819.19</i> | 627.15 <i>2,167.91</i> | — <i>0.59</i> | 1,721.04 <i>2,987.69</i> |
| - unallocated segment tangible and intangible assets | | | | 181.31 <i>54.92</i> |
| 8. Depreciation and amortization expense | 696.02 <i>654.39</i> | 313.35 <i>142.87</i> | 3.93 <i>4.00</i> | 1,013.30 <i>801.26</i> |
| 9. Unallocated depreciation | | | | 28.63 <i>33.74</i> |

(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:

| | 2016-17 ₹ in Lakhs | 2015-16 ₹ in Lakhs |
|-----------------|-----------------------|-----------------------|
| India | 4,713.55 | 5,381.84 |
| Europe | 9,093.69 | 8,010.70 |
| Other countries | 2,845.98 | 2,087.84 |
| | 16,653.22 | 15,480.38 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 33 - SEGMENT INFORMATION (contd.):

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

| | Carrying amount of Segment Assets | | Additions to tangible and intangible assets | |
|---------------|--------------------------------------|-------------------------|--|-------------------------|
| | 2016-2017 ₹ in Lakhs | 2015-2016 ₹ in Lakhs | 2016-2017 ₹ in Lakhs | 2015-2016 ₹ in Lakhs |
| India | 27,183.57 | 25,343.32 | 1,902.35 | 3,042.61 |
| Outside India | 3,431.14 | 3,480.90 | – | – |
| | <u>30,614.71</u> | <u>28,824.22</u> | <u>1,902.35</u> | <u>3,042.61</u> |

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 34 - INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENT PURSUANT TO SCHEDULE II OF THE COMPANIES ACT, 2013.

₹ in Lakhs

| Sl No. | Particulars | Name of the Entity | March 31, 2017 | | | | March 31, 2016 | | | |
|--------|-------------------|---|-------------------------------------|------------|----------------------------------|----------|-------------------------------------|------------|----------------------------------|----------|
| | | | Net Asset as a % of Consolidated | | % of share in profit and loss | | Net Asset as a % of Consolidated | | % of share in profit and loss | |
| | | | % | Amount | % | Amount | % | Amount | % | Amount |
| 1 | Parent | DIL Limited | 49% | 6,887.12 | 41% | 411.52 | 48% | 6,278.78 | 896% | -1016.64 |
| 2 | Subsidiaries | | | | | | | | | |
| | Indian | Aegean Properties Limited | 0% | 59.35 | -3% | (28.41) | 1% | 65.89 | 22% | (24.90) |
| | | CC Square Films Ltd | 0% | (0.11) | 0% | (0.45) | 0% | 0.03 | 0% | (0.50) |
| | | Fermenta Biotech Limited | 70% | 9,852.17 | 106% | 1,071.59 | 70% | 9,030.75 | -1163% | 1,319.47 |
| | | G I Biotech Private Limited | 0% | 1.52 | 0% | (0.52) | 0% | 2.04 | 1% | (0.59) |
| | Foreign | Fermenta Biotech (UK) Limited | 1% | 113.85 | -3% | (28.73) | 1% | 142.58 | 5% | (5.49) |
| | Joint Ventures | VasKo Glider s.r.o. | 0% | 18.48 | 0% | – | 0% | 20.09 | 0% | – |
| | | Agastya Films LLP | 0% | (0.18) | 0% | (0.10) | 0% | (0.66) | 0% | (0.09) |
| 3 | Minority Interest | | -20% | (2,834.54) | -27% | (267.64) | -20% | (2,566.91) | 291% | (329.81) |
| 4 | Associates | | | | | | | | | |
| | | Health And Wellness India Private Limited | 0% | – | -7% | (72.09) | 0% | 9.42 | 48% | (54.87) |
| | | Zela Wellness Private Limited | 0% | – | -7% | (75.38) | 0% | – | 0% | – |
| Total | | | 100% | 14,097.76 | 100% | 1,009.80 | 100% | 12,982.01 | 100% | -113.42 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 35 - CAPITAL AND OTHER COMMITMENTS:

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| Estimated amount of contracts remaining to be executed on capital account. | | |
| DIL Limited | 364.25 | 640.71 |
| Fermenta Biotech Limited | 296.46 | 526.52 |

NOTE 36 - CONTINGENT LIABILITIES:

| | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|--|------------------------------|------------------------------|
| Contingent liabilities not probable and hence not provided by the Company in respect of; | | |
| a) Tax matters | | |
| – Excise Duty - matter under appeal | – | 8.00 |
| – Service tax - matter under appeal | 22.50 | 22.50 |
| – Sales tax - matter under appeal | 4.63 | 4.63 |
| b) Other Claims | 94.26 | 54.99 |
| | 121.39 | 90.12 |

NOTE 37 - 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, 2017 and as at March 31, 2016.

- b) Un-hedged foreign currency exposure:

| Particulars | March 31, 2017 | | March 31, 2016 | |
|----------------------------------|-----------------------------------|--|-----------------------------------|--------------------------|
| | Foreign Currency in millions | ₹ in Lakhs | Foreign Currency in millions | ₹ in Lakhs |
| DIL Limited | | | | |
| a) Cash and bank balance | Kc 0.03 | 0.80 | Kc 0.03 | 0.87 |
| Fermenta Biotech Limited | | | | |
| a) Trade receivables | USD 1.61 EURO 3.45 | 1,039.72 2,400.81 | USD 0.87 EURO 2.95 | 572.99 2,204.80 |
| b) Trade payables | USD 0.11 EURO 1.19 GBP 0.00 | 74.34 830.21 0.72 | USD 0.37 EURO 0.46 GBP 0.00 | 244.97 347.33 0.69 |
| c) Short Term Borrowing (PCFC) | EURO 1.63 | 1,132.00 | EURO 0.80 | 601.09 |
| d) Cash and Bank Balances (EEFC) | EURO 0.00 | 0.28 | EURO 0.00 | 0.30 |
| e) Buyers Credit | USD 0.57 EURO 0.27 | 368.86 188.85 | – – | – – |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 38 - DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

| Particulars | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---|------------------------------|------------------------------|
| a i) Principal amount remaining unpaid to any supplier at the end of the accounting year | 20.20 | 5.14 |
| ii) Interest due on above | 0.57 | 0.10 |
| The Total of (i) & (ii) | 20.77 | 5.24 |
| 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 | — | — |
| d The amount of interest accrued and remaining unpaid at the end of each accounting year; and | — | — |
| 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 |

Note 39 - During the previous year, Company has received a notice from the private equity investor/member in Company's subsidiary, Fermenta Biotech Limited ("Fermenta"). In this notice, investor has notified the Company that it proposes to exercise its "Drag Along Right" with respect to the shares of Fermenta asking DIL either to acquire shares of Fermenta from the investor or drag along DIL to sell the shares of Fermenta held by investor and DIL to a third party, pursuant to the Shareholders' Agreement dated December 10, 2010 entered into by the Company, Fermenta and investor. The Company has been advised that such claim is not legally tenable and the management has concluded that there is no obligation on the Company with reference to the aforesaid alleged notice from the investor. Accordingly, no impact has been considered in the financial statement.

Note 40 - Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed assets/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

| Particulars | March 31, 2017 ₹ in Lakhs | March 31, 2016 ₹ in Lakhs |
|---------------|------------------------------|------------------------------|
| Finance costs | 59.22 | 421.69 |
| Total | 59.22 | 421.69 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 41 - SPECIFIED BANK NOTES :

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308 (E), dated March 30, 2017. The details of the SBNs held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

| | (Amt in Rupees) | | |
|---------------------------------------|-----------------|--------------------------|-----------|
| | SBNs # | Other denomination notes | Total |
| Closing Cash in hand as on 8.11.2016 | 12,57,000 | 94,295 | 13,51,295 |
| Cash Received back | – | – | – |
| (-) Amount deposited in banks | 1,257,000 | – | 1,257,000 |
| Staff Advance given | – | 409,500 | 409,500 |
| Cash withdrawal from bank | – | 2,588,000 | 2,588,000 |
| Expenditure | – | 1,989,140 | 1,989,140 |
| Closing Cash in hand as on 30.12.2016 | – | 2,83,655 | 2,83,655 |

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated November 08, 2016.

NOTE 42 – Previous year's figures have been regrouped/classified wherever necessary to conform with current year's classification.

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner

Membership No : 105938

Mumbai
Date: May 27, 2017.

For and on behalf of the Board of Directors of DIL Limited

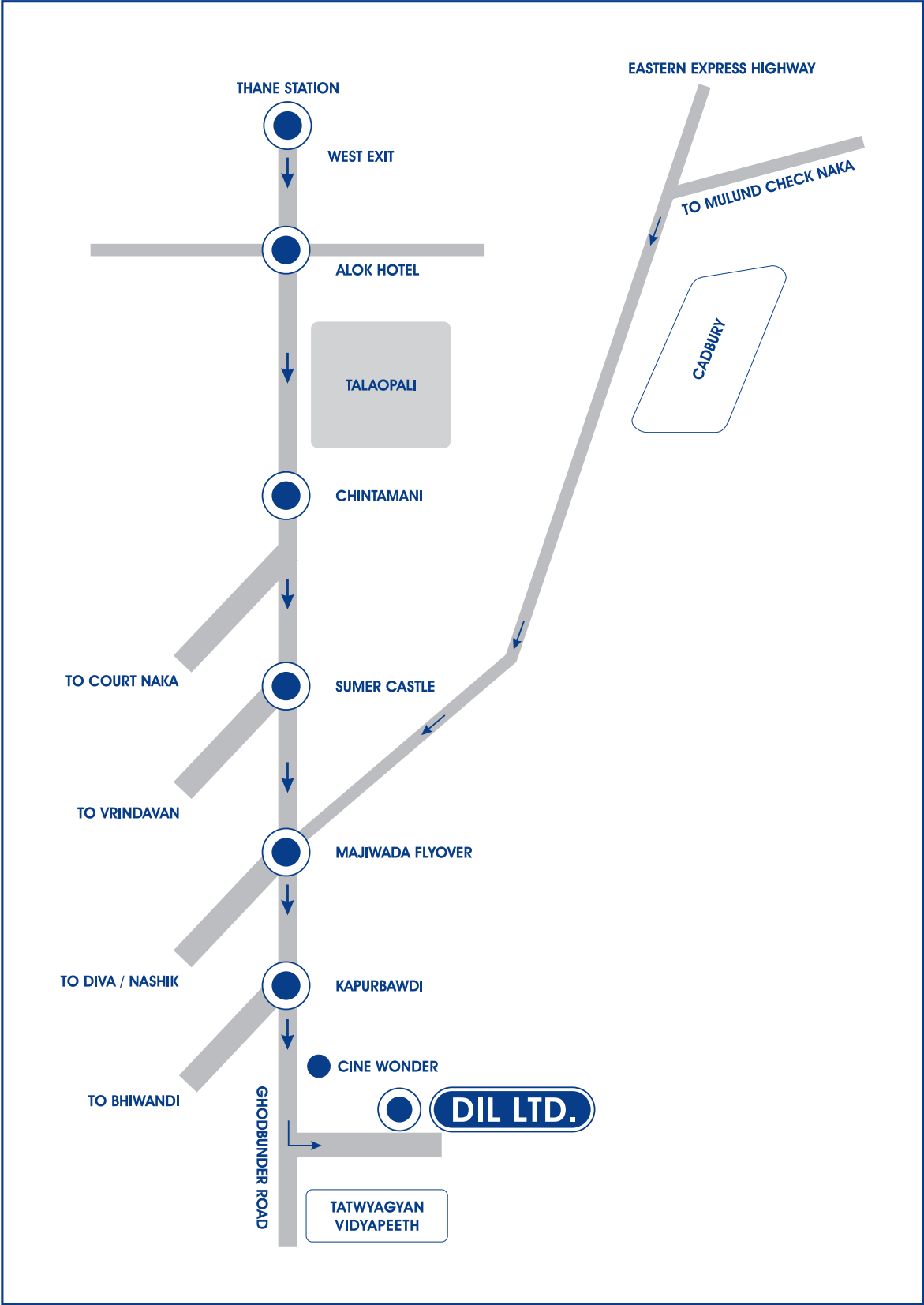
SANJAY BUCH KRISHNA DATLA RAJESHWARI DATLA
Chairman Managing Director Director

SATISH VARMA VINAYAK HAJARE
Director Director

SUMESH GANDHI SRIKANT N. SHARMA
Chief Financial Officer Company Secretary

Thane
Date: May 27, 2017.

65th AGM Venue's Roadmap





Corporate Identification Number (CIN): L99999MH1951PLC008485

Regd Office: A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400 610, Maharashtra, India.
Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

BALLOT FORM

(To be sent, duly filled and signed to the Scrutinizer appointed by the Company)
(Please read the instructions printed overleaf carefully before completing this form.)

1. Name(s) of Member(s), including Joint holder(s),
if any, (in block letters) :
2. Registered Address of the Sole / First named
Member / Beneficial Owner :
3. Registered Folio No. / DP ID and Client ID No. :
4. Number of Equity Shares held :

I / We hereby exercise my / our vote in respect of the Resolutions set out in the Notice of the Annual General Meeting dated September 29, 2017 by sending my / our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

| Resol- ution No. | Description | No. of shares | I/ We assent to the Reso- lution | I/We dissent to the Reso- lution |
|------------------------|---|------------------|---|---|
| 1. | To receive, consider and adopt: (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, Reports of the Board of Directors and the Auditors thereon; and (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 along with Report of the Auditors thereon. | | | |
| 2. | To declare dividend of ₹ 2.50 per equity share of ₹ 10 each for the financial year ended March 31, 2017. | | | |
| 3. | To appoint a Director in place of Mr. Satish Varma (DIN: 00003255), who retires by rotation and, being eligible, offers himself for reappointment. | | | |
| 4. | To appoint Statutory Auditors and to fix their remuneration. | | | |

Place :

Date :

Signature of the Member

ELECTRONIC VOTING PARTICULARS

| EVEN (Electronic Voting Event Number) | User ID | Password |
|---------------------------------------|---------|----------|
| 170814001 | | |

Notes:

For e-voting, please refer the instructions under "E-Voting Facility" in the Notice attached herewith.

INSTRUCTIONS

Process and manner for Members opting to vote by using the Ballot Form:

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by Ballot Form or through remote e-voting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
3. For detailed instructions on remote e-voting, please refer to the Notes appended to the Notice of Annual General Meeting.
4. The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through Ballot Forms to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
5. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, i.e. Mr. V. N. Deodhar & Co. (Membership No.898), Practising Company Secretaries, at the Registered Office of the Company, not later than September 28, 2017 (5.00 p.m. IST). For this purpose, a self-addressed prepaid envelope is enclosed and postage will be paid by the Company. The envelope bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, envelopes containing the Ballot Form(s), if deposited in person or sent by courier or registered/ speed post will be at the expense of the Member and will also be accepted. Ballot Form received after this date will be treated as invalid.
6. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders.
7. For shares held by companies/ entities, duly completed Form should be accompanied by a certified true copy of the Board Resolution together with attested specimen signature(s) of the duly authorized representative(s).
8. Votes should be cast in case of each resolution, either in favour or against by putting the tick mark in the column provided for assent/ dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the Member's total shareholding. If the Member does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
9. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 22, 2017 ("Cut Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
10. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified at Sr. No. 5 above.
11. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
12. The Scrutinizer's decision on the validity of a Ballot will be final.
13. Except as otherwise mentioned herein, Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
14. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be published in newspapers, placed on the Company's website www.dil.net and communicated to the Stock Exchange where the Company shares are listed viz. BSE Ltd.
15. Members may address any query to Mr. Srikant Sharma, Compliance Officer, at the Registered Office of the Company, Tel: 022 6623 0800 • Fax: 022 6798 0899 or by e-mail to srikant.sharma@dil.net.

MEMBER/SHAREHOLDER INSTRUCTIONS FOR REMOTE E-VOTING ('E-VOTING')

The instructions for Members voting electronically are as under :

- (i) The voting period begins on September 26, 2017 and ends on September 28, 2017. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 22, 2017 (record date) may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Members should log on to the e-voting website of CDSL viz. www.evotingindia.com.
- (iv) Click on Members.
- (v) Now Enter your User ID
 - a. For Members having demat account with DP connected to CDSL: Please enter 16 digits beneficiary ID as your User ID,
 - b. For Members having demat account with DP connected to NSDL: Please enter 8 Characters DP ID followed by 8 Digits Client ID as your User ID,
 - c. For Members holding shares in physical form : Please enter Folio Number registered with the Company as your User ID.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, please follow the steps given below :

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. (Applicable for both demat Members as well as physical Members)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company Selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (EVSN) 170814001 for DIL Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xix) Members can also cast their votes using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.
- (xx) Note for Non-Individual Members and Custodians
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Regd. Office: A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400 610, Maharashtra, India.
Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

Folio No. DP ID No. Client ID No. No. of Shares

NAME OF THE MEMBER(S)/PROXY HOLDER (IN BLOCK LETTERS)

I hereby record my presence at the Sixty-Fifth Annual General Meeting of the Company held at Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400 610 on Friday, September 29, 2017 at 3.00 p.m.

Member(s)/Proxy's Signature

Note :

- (1) This meeting is of Members only. Members are requested not to bring along 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 -----

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Regd. Office: A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400 610, Maharashtra, India.
Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

Name of the Member (s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/We, being the Member(s) of shares of the above named Company, hereby appoint

1. Name: E-mail ID:

Address:

..... Signature: or failing him/her

2. Name: E-mail ID:

Address:

..... Signature: or failing him/her

3. Name: E-mail ID:

Address:

..... Signature:

p.t.o.

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Sixty Fifth Annual General Meeting of the Company, to be held on Friday, September 29, 2017 at 3.00 p.m. at Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400 610 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

| Resolu tion No. | Description |
|--------------------|---|
| 1 | To receive, consider and adopt: (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, Reports of the Board of Directors' and the Auditors thereon and (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 along with Report of the Auditors thereon. |
| 2 | To declare dividend of ₹ 2.50 per equity share of ₹ 10 each for the financial year ended March 31, 2017. |
| 3 | To appoint a Director in place of Mr. Satish Varma (DIN – 00003255), who retires by rotation and being eligible offers himself for reappointment. |
| 4 | To appoint Statutory Auditors and to fix their remuneration |

Signed thisday of2017 Signature of Member:.....

Place: Signature of Proxy(s):.....

Affix
Revenue
Stamp

Notes:

This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) - 400 610 not later than 48 hours before the commencement of the aforesaid meeting.