

BOARD OF DIRECTORS

Mr. G.G.Desai
Chairman

Ms. Rajeshwari Datla

Mr. Sanjay Buch

Mr. Vinayak Hajare

Mr. Satish Varma

Mr. Krishna Datla
Managing Director

COMPANY SECRETARY

Mr. Srikant N. Sharma

SOLICITORS

Crawford Bayley & Co.
Mundkur Law Partners

AUDITORS

S. R. Batliboi & Associates

INTERNAL AUDITORS

M M Nissim & Co.

BANKERS

Standard Chartered Bank
Union Bank of India
Bank of Baroda

REGISTERED OFFICE

'dil' Complex, Ghodbunder Road,
Majiwada, Thane (West) – 400 610.
Maharashtra, India.
Tel No : +91 22 6798 0888
Fax No : +91 22 6798 0999
E-mail : contact@dil.net
www.dil.net

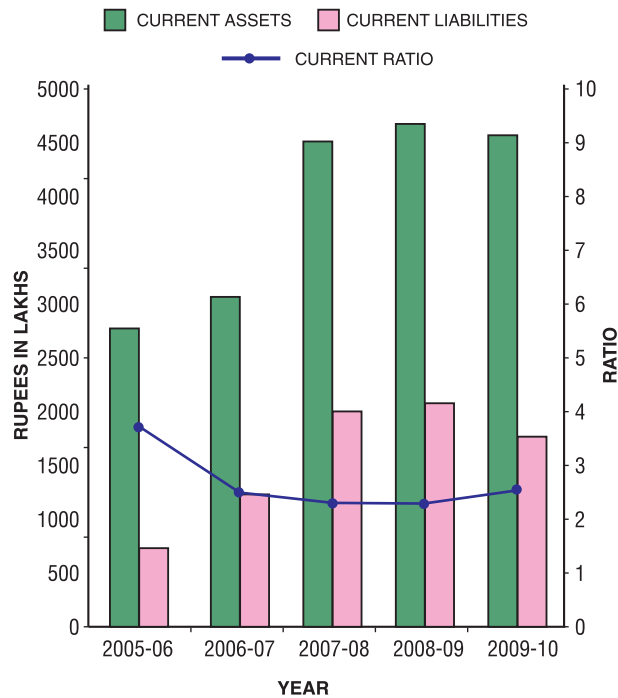
REGISTRAR AND TRANSFER AGENTS

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

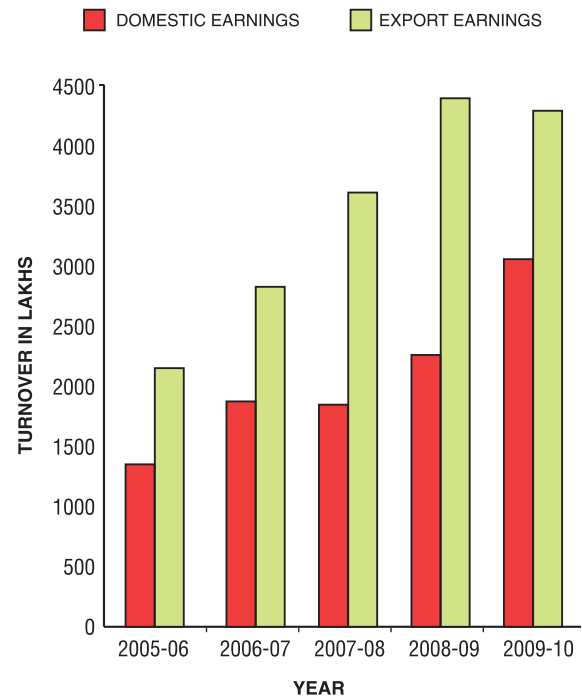
WEBSITES

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

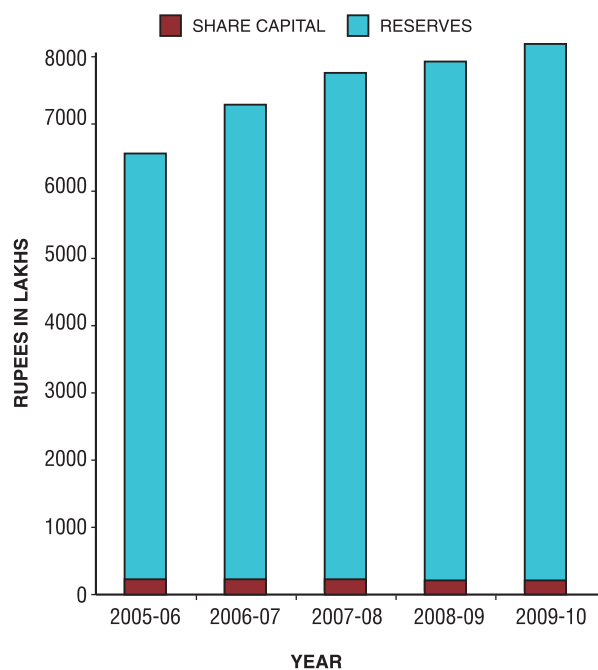
CURRENT RATIO



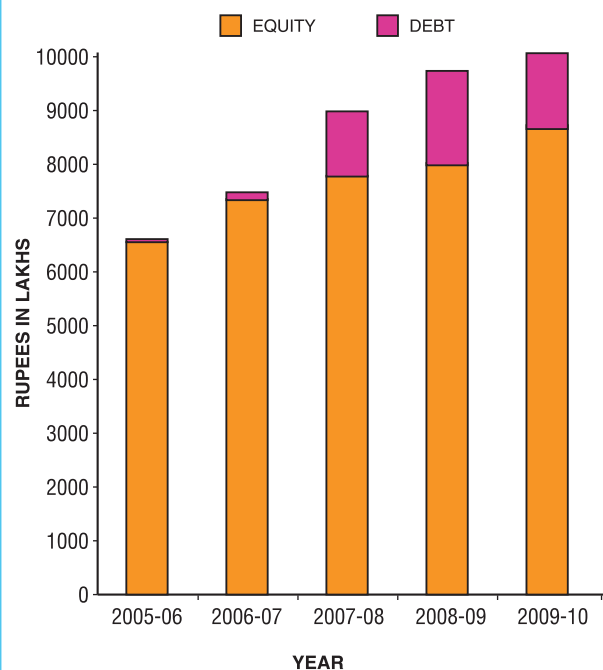
DOMESTIC & EXPORT EARNINGS



SHAREHOLDERS' FUND

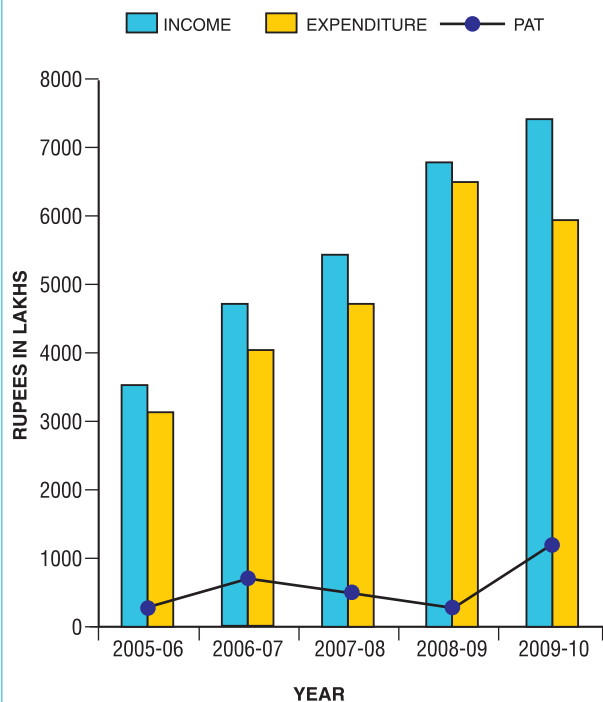


DEBT & EQUITY

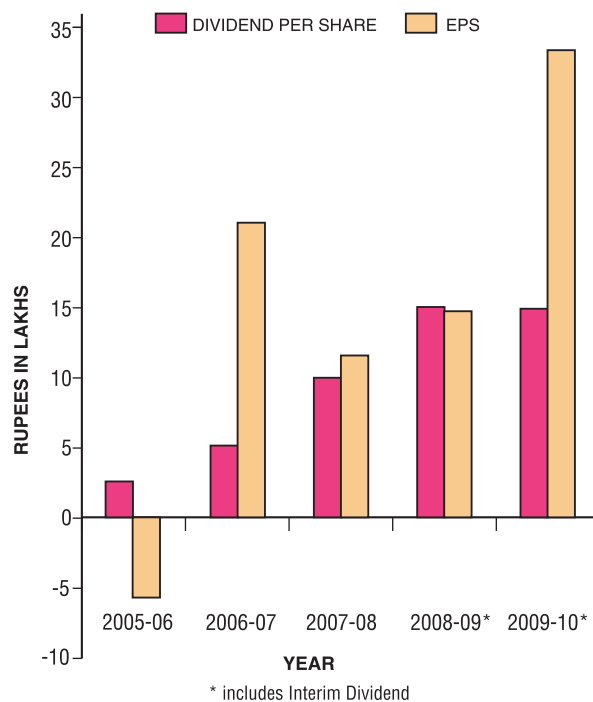


FINANCIAL HIGHLIGHTS - CONSOLIDATED

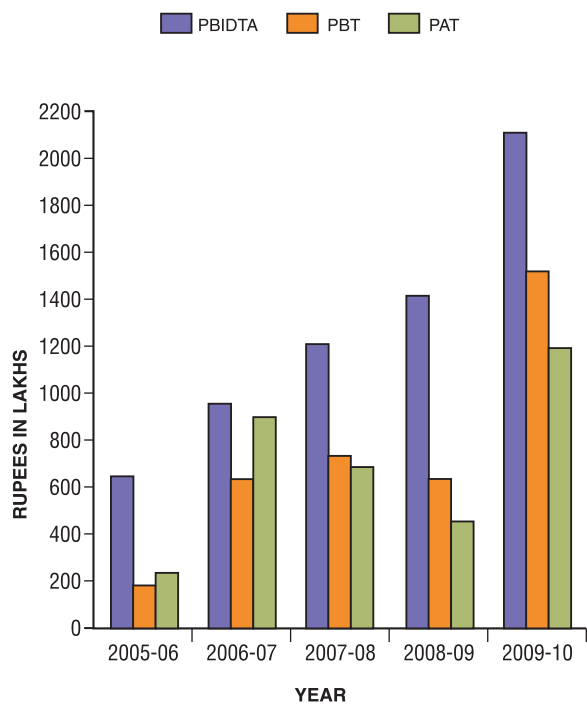
INCOME & EXPENDITURE



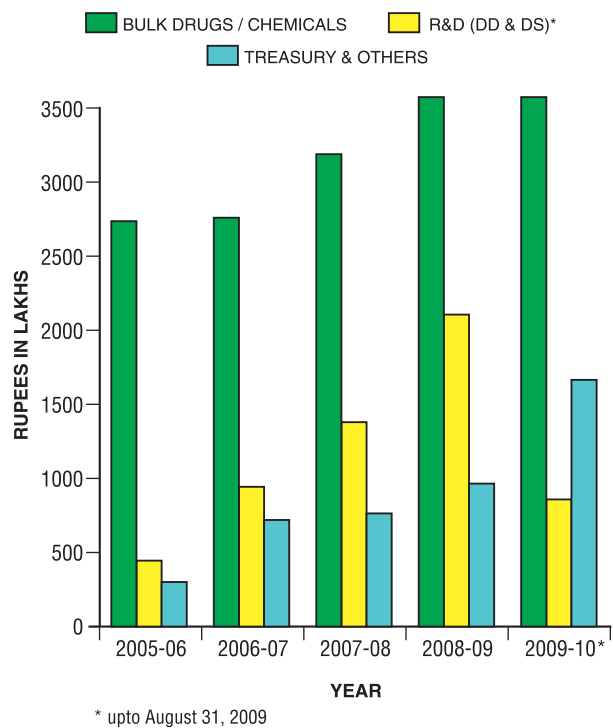
DIVIDEND PAYOUT (DIL LTD)



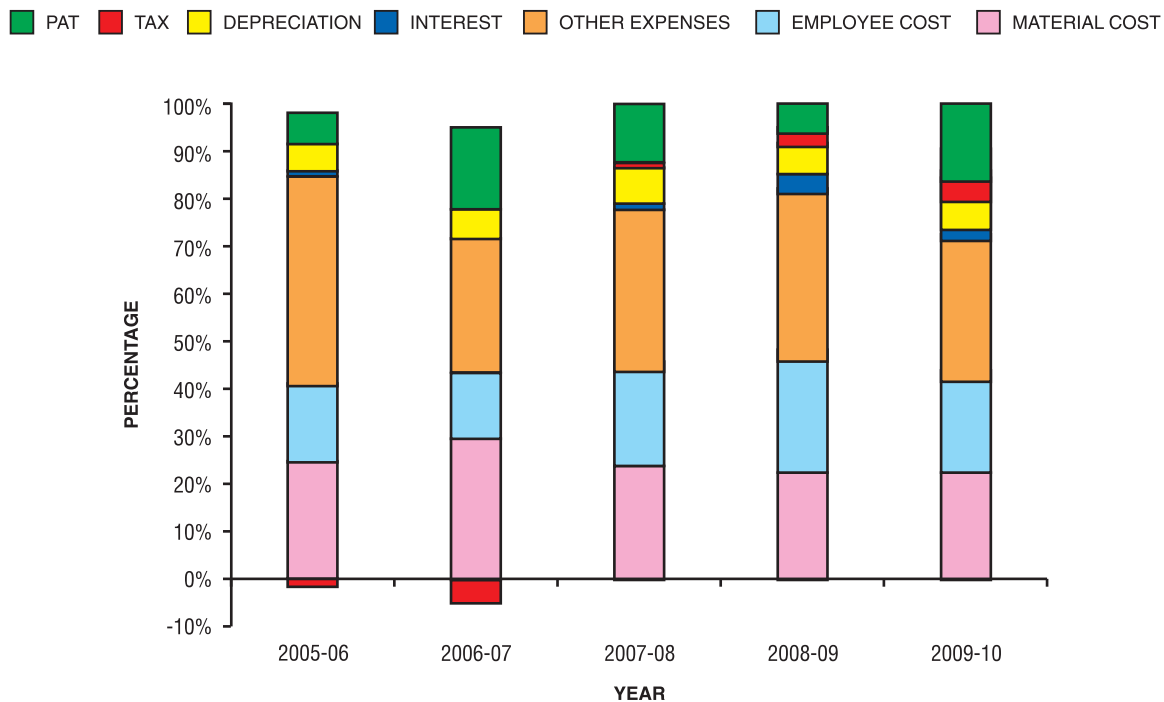
PROFITS



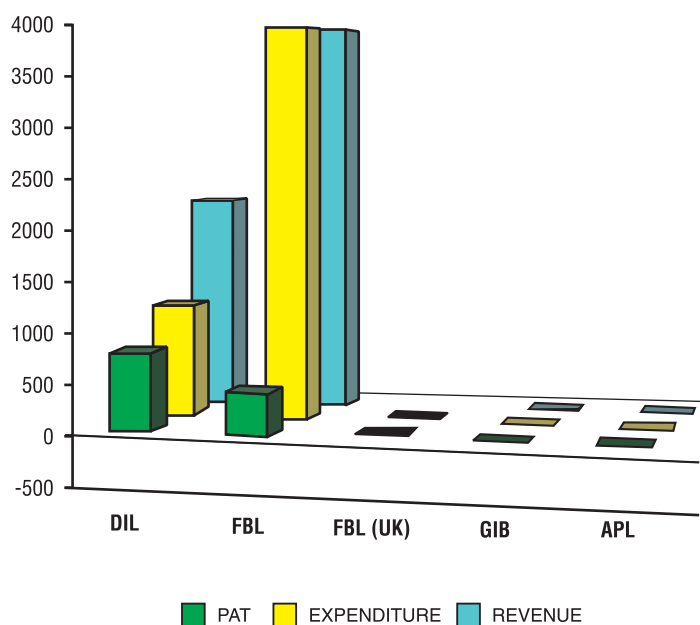
SEGMENT WISE REVENUE



DISTRIBUTION OF REVENUE 2009-10



PERFORMANCE OF DIL & SUBSIDIARY COMPANIES 2009-10



CONTENTS

Notice	6
Directors' Report and Management Discussion and Analysis	10
Corporate Governance Report	17
Auditors' Report	28
Balance Sheet	32
Profit & Loss Account	33
Cash Flow Statement	34
Schedules to Accounts	36
Statement under Section 212	62
Auditors' Report (consolidated accounts)	63
Consolidated Financial Statements	64
Financial Highlights of Subsidiary Companies	99

NOTICE

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Members of DIL LIMITED will be held at 'dil' Complex, Ghodbunder Road, Majiwada, Thane (West), 400 610 on Monday, September 27, 2010 at 3 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date, the Directors' Report and the Auditors' Report thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2010.
3. To appoint a Director in place of Ms. Rajeshwari Datla, who retires by rotation and is eligible for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 269, 198 and 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 (as amended from time to time) and in accordance to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the re-appointment of Mr. Krishna Datla as the Managing Director of the Company for a period of five years commencing from May 9, 2010 upon the terms

and conditions as detailed in the agreement dated May 8, 2010 entered into between the Company and Mr. Krishna Datla.

RESOLVED FURTHER THAT where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Board of Directors is authorized to decide the payment of remuneration of the Managing Director as per the following:

- a. Payment of minimum remuneration by way of salary, perquisites and other allowances subject to the applicable ceiling laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 and in the event of any amendment, modification or relaxation in the aforesaid provisions relating to the payment of minimum remuneration to the Managing Director, the Board of Directors is further authorized to vary or increase the said minimum remuneration within prescribed limits as set out in the agreement; or
- b. Payment of remuneration by way of salary and perquisites as set out in the agreement dated May 8, 2010 as minimum remuneration to the Managing Director, provided prior approval of the Central Government is obtained, in case the above remuneration exceeds the limits of Schedule XIII of the Companies Act, 1956;

By Order of the Board

Srikant N. Sharma
Company Secretary

Thane, August 13, 2010.
Registered Office:
'dil' Complex,
Ghodbunder Road,
Majiwada,
Thane (West) – 400 610.

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the Annual General Meeting.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, (the Act) in respect of Special Business under item 5 as set out above is annexed herewith.
4. The details in respect of Directors recommended for appointment / re-appointment at the Annual General Meeting, under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited are furnished in the Corporate Governance Report.
5. The final dividend for the year ended March 31, 2010 @ Rs. 7.50 per share will be paid on or before October 27, 2010 to those members whose name appears in the Register of Members of the Company on September 16, 2010, and the dividend will be payable on the basis of Beneficial Ownership details furnished by NSDL and CDSL at the close of business hours on September 16, 2010.
6. The Register of Members and Share Transfer Books will remain closed from September 17, 2010 to September 27, 2010 (both days inclusive) in connection with the payment of final dividend for the financial year 2009-10.
7. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company's Registered Office at least one week before the date of the meeting so that the information can be made readily available at the meeting.
8. Members are hereby informed that dividends, which remain unclaimed / unencashed over a period of 7 years, will be transferred by the Company to the Investor Education and Protection Fund (IEPF) constituted by the Central Government under Sections 205A and 205C of the Act. The unclaimed final dividend for the financial year ended March 31, 2002 and the unclaimed interim dividend declared during the financial year 2001-2002 have been transferred to the IEPF.
9. Dividend for the Financial Year ended March 31, 2003, which remains unpaid or unclaimed, will be due for transfer to the IEPF on November 1, 2010, pursuant to the provisions of Section 205A of the Act.
10. Members who have not encashed their dividend warrants for the years 2002-2003 or thereafter are requested to write to the Company at its Registered Office and / or to the Company's Registrar and Transfer Agents. Members are advised that no claims shall remain against the Company for the amount of unclaimed dividend transferred to the said IEPF Fund.
11. Members are requested to direct all correspondence relating to shares, including change of address, bank mandates, etc. to the Company's Registrar and Transfer Agents.
12. Members holding shares in the same name under different Ledger folios and wish to consolidate such Folios may send the relevant share certificates to the Company's Registrar and Transfer Agents for taking necessary action(s).
13. Members / proxies should bring the Attendance slip sent herewith, duly filled in, for attending the meeting. The Members are requested to bring their copies of the Annual Report, as the same will not be distributed at the meeting.

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

ITEM NO. 5

Mr. Krishna Datla was appointed as the Managing Director of the Company for a period of 5 (five) years w.e.f. May 09, 2005. His tenure as the Managing Director has come to an end on May 08, 2010. Subject to the approval of the shareholders of the Company, the Remuneration Committee & Board of Directors of the Company on April 30, 2010 re-appointed Mr. Krishna Datla, as Managing Director of the Company for a period of five years with effect from May 9, 2010.

The material terms of the agreement entered into between the Company and Mr. Krishna Datla on May 8, 2010 are as under:

i) Salary

Rs. 3,00,000/- per month in the scale of Rs. 3,00,000/- to Rs. 5,00,000/- per month and eligible for revision as and when deemed fit by the Board of Directors.

ii) Commission

3% of the net profits of a financial year or such percentage of net profits of the Company as may be determined by the Board of Directors from time to time, subject to the ceilings stipulated in Sections 198, 309 and other applicable provisions of the Companies Act, 1956 (Act).

iii) Perquisites

He shall be entitled to:

- a) Furnished accommodation or house rent as may be mutually discussed subject to minimum of Rs. 50,000 per month;
- b) Reimbursement of expenses in respect of gas, electricity and water;
- c) Leave travel concession – Return passage for self and his family subject to a maximum of one month's salary;
- d) Medical Reimbursement – Expenses incurred for self and family as per rules of the Company.
- e) Club fees – Fees of clubs, subject to a maximum of two clubs;

- f) The Company shall provide two cars with drivers and telephone at residence. Provisions of car(s) and telephone(s) at residence for use on Company's business will not be considered as perquisites.
- g) Personal Accident Insurance – Premium not exceeding Rs.10,000/- per annum.
- iv) Company's contribution to Provident Fund and Gratuity payment as per Company's rules and encashment of leave at the end of the tenure.
- v) The aggregate remuneration shall not exceed the limits provided in Section 198 and 309 of the Act.

Notwithstanding anything contained hereinabove, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Board of Directors is authorized to decide the payment of remuneration of the Managing Director as per the following:

- a. Payment of minimum remuneration by way of salary, perquisites and other allowances subject to the applicable ceiling laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 and in the event of any amendment, modification or relaxation in the aforesaid provisions relating to the payment of minimum remuneration to the Managing Director, the Board of Directors is further authorized to vary or increase the said minimum remuneration within prescribed limits as set out in the agreement; or
- b. Payment of remuneration by way of salary and perquisites as set out in the agreement dated May 8, 2010 as minimum remuneration to the Managing Director, provided prior approval of the Central Government is obtained, in case the above remuneration exceeds the limits of Schedule XIII of the Companies Act, 1956.

A brief profile of Mr. Krishna Datla is given in the Corporate Governance Report. Abstract under Section 302 of the Act was intimated to the members on May 10, 2010. The Board commends the resolution for approval by the Members.

The agreement dated May 8, 2010 executed between the Company and Mr. Krishna Datla for the said appointment referred to in resolution No.5 and the intimation to the shareholders' regarding the Abstract of the material terms of the agreement as per the provisions of Section 302 of Companies Act, 1956 dated May 10, 2010 are available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

None of the Directors of the Company, except Mr. Krishna Datla and Ms. Rajeshwari Datla, is concerned or interested in the above appointment.

By Order of the Board

Srikant N. Sharma
Company Secretary

Thane, August 13, 2010

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the 58th Annual Report and the Audited Accounts for the financial year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

	(Amount - Rs. in Lakhs)	
Stand alone results	2009-2010	2008-2009
Total Revenue	2,183.17	1,240.87
Total Expenditure	1,036.13	783.59
Profit before Interest, Depreciation & Tax ('EBIDTA')	1,147.04	457.28
Interest	3.45	115.05
Depreciation	112.82	109.18
Exceptional item – depreciation written back	-	179.72
Profit before tax ('PBT')	1,030.77	412.77
Less : Provision for tax (including deferred tax)	265.86	70.78
Add : Provision for tax in respect of earlier years written back	0.09	(0.65)
Profit after tax ('PAT')	765.00	341.34
Balance brought forward	1,973.21	2,069.31
Balance for appropriations	2,738.21	2,410.65
Appropriations		
Interim Dividend	171.99	171.99
Proposed Dividend	171.99	171.99
Dividend Distribution Tax	58.46	58.46
Transfer to General Reserve	100.00	35.00
Balance in Profit & Loss account	2,235.77	1,973.21
	2,738.21	2,410.65
Consolidated results	2009-2010	2008-2009
Total Revenue	7,423.77	6,760.57
Total Expenditure	5,329.28	5,714.97
Profit before Interest, Depreciation & Tax ('EBIDTA')	2,094.49	1,045.60
Interest	142.37	302.17
Depreciation	442.93	469.35
Impairment loss	-	5.94
Exceptional item – depreciation written back	-	364.83
Profit before tax ('PBT')	1,509.19	632.97
Less : Provision for tax (including deferred tax)	326.19	179.67
Add : Provision for tax in respect of earlier years written back	(0.32)	(0.77)
Profit after tax ('PAT')	1,182.68	452.53
Minority interest	(5.75)	131.65
Share of interest in profit/(loss) of associates	(24.93)	-
Balance brought forward	2,335.73	2,188.99
Balance for appropriations	3,487.73	2,773.17
Appropriations		
Interim Dividend	171.99	171.99
Proposed Dividend	171.99	171.99
Dividend Distribution Tax	58.46	58.46
Transfer to General Reserve	100.00	35.00
Balance in Profit & Loss account	2,985.29	2,335.73
	3,487.73	2,773.17

RESULTS FROM OPERATIONS

During the year under review, the Company, on a Stand alone basis, recorded a revenue of Rs.2,183.17 lakhs (previous year Rs.1,240.87 lakhs) which includes profit of Rs.607.83 lakhs on sale of equity shares of Evotec (India) Private Limited (earlier known as Research Support International Private Limited), erstwhile wholly owned subsidiary of the Company. Consequently the profit before tax for the year was Rs.1,030.77 lakhs (previous year Rs.412.77 lakhs) and profit after tax was Rs.765 lakhs (previous year Rs.341.34 lakhs).

Secondly, the consolidated revenue of the Company was Rs.7,423.77 lakhs (previous year Rs.6,760.57 lakhs) and the profit after tax is at Rs.1,182.68 lakhs (previous year Rs.452.53 lakhs). This is mainly in view of the profit on sale of equity shares as stated above.

During the year under review, the Company has transferred 2,54,94,000 equity shares of Rs.2 each i.e. 70% of the paid-up equity capital of Evotec (India) Private Limited to Evotec AG for Rs.1,117 lakhs. Consequently Evotec (India) Private Limited and its subsidiary Evotec - RSIL Limited ceased to be subsidiaries of the Company w.e.f. September 01, 2009 and accordingly the consolidated financial statements of the Company includes the financials of Evotec (India) Private Limited and its subsidiary, Evotec – RSIL Limited upto August 31, 2009. In view of above and w.e.f. September 01, 2009 the Company is not in the day to day management of Evotec (India) Private Limited and its subsidiary Evotec – RSIL Limited.

DIVIDEND

During the year under review, the Board of Directors had declared and paid an interim dividend of Rs.7.50 per equity share (75%) for the financial year 2009-10 aggregating to Rs.171.99 lakhs. Your Directors also recommend a final dividend of Rs.7.50 per equity share (75%) for the year ended March 31, 2010. The total Dividend for the financial year 2009-10 will amount to Rs.15 per equity share (150%).

TRANSFER TO RESERVE

Your Directors propose to transfer Rs.100 lakhs to General Reserve out of the amount available for appropriations and an amount of Rs.2,235.77 lakhs is

proposed to be retained in the Profit and Loss Accounts for the financial year 2009-10

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been made as per the Listing Agreement with the Stock Exchange and the relevant Accounting Standards issued by the Institute of Chartered Accountants of India. The consolidated financial statement of the Company for the financial year 2009-10 includes Aegean Properties Limited, Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited and Vasko Glider s.r.o and the financial statements of Evotec (India) Private Limited and its subsidiary Evotec-RSIL Limited is up to August 31, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's pharmaceutical operations are mainly pursued through its subsidiary, Fermenta Biotech Limited (FBL) which is in the business of manufacturing and marketing bulk drugs and enzymes. In addition, your Company is also engaged in treasury operations, renting properties, motion film production and distribution.

The Company carried out the Drug Discovery and Development Services through its subsidiaries, Evotec (India) Private Limited and its subsidiary Evotec-RSIL Limited up to August 31, 2009. Pursuant to divestment of 70% equity shares by the Company in Evotec (India) Private Limited, Evotec (India) Private Limited and its subsidiary Evotec-RSIL Limited ceases to be subsidiaries of the Company with effect from September 01, 2009.

Pharmaceuticals – Manufacturing and Marketing:

- i. FBL has recorded a total revenue of Rs. 4,831.44 lakhs (previous year Rs. 3,710.51 lakhs) with a growth of 30% and the profit after tax of Rs. 418.73 lakhs (previous year Rs. 160.87 lakhs) witnessed a growth of 160%.

The overall sales of bulk drugs touched to Rs. 4,215 lakhs showing a growth of 37% year on year. The turnover of Vitamin D3 showed marked improvement in the year under review. Prior to 2009-10 68% of the bulk drugs revenues were accounted by Phenyramidol with Vitamin D3

contributing 31%. During the year 2009-10, 56% of the bulk drugs revenues were accounted for from Vitamin D3 and its formulations indicating a shift in the product contribution based on the renewed demand supply situation in the respective markets.

The total sales of biotech divisions in the year 2009-10 was Rs. 466 lakhs (previous year Rs.310 lakhs) showing a growth of 50%. FBL's conventional enzyme products mainly used in the manufacture of antibiotic intermediates continue to face challenges from the generic players both domestic as well as international, resulting in decrease in sales in 2009-10 to Rs.195 lakhs, a 27% decrease on a sale of Rs.268 lakhs in the previous year of 2008-09. However, trial scale sale of a Novel Penicillin G Acylase developed by FBL for synthesis of final semi synthetic Penicillin APIs' in 2009 -10 lifted the enzyme division turnover in the current year to Rs. 466 lakhs as compared to Rs.310 lakhs in the previous year with a growth of 50% as stated above.

ii. **Manufacturing and regulatory approvals**

Year 2009 - 10 saw good progress in FBL's Facility Certifications and product Compliance goals.

Key highlights include:

- WHO – cGMP
- ISO 9001:2008
- ISO 14001:2004
- OHSAS 18001:2007

Important Product Certifications include:

- EDQM – CEP for Vitamin D3
- Kosher & Halal Certifications
- HACCP

iii. **Facilities expansion**

With the increased volumes driven by sales successes, especially with the Vitamin D3 portfolio, FBL has reached the point where its current API facility in Kullu has achieved near full capacity utilization. In order to provide a manufacturing base from which FBL can build for its future and in the short term supply the rapidly accelerating demand for its Vitamin D3 products, FBL has acquired land and begun construction of manufacturing facility

at Dahej SEZ; Gujarat The new manufacturing site will not only help FBL in meeting the growing demand of Vitamin D3 but also provide a sound platform for building its NPGA enzyme capacities as FBL develops these product opportunities as well. Dahej Plant is expected to become operational by March 2011.

Drug Discovery & Development Services:

Revenue amounting to approximately 2,90,000 Euros was achieved by Evotec (India) Private Limited during the period from April 1, 2009 to August 31, 2009. New projects were undertaken with Bayer CropSciences, Novartis, Boehringer Ingelheim and Chugai. The collaboration with Chugai marked our first entrance into the highly competitive and challenging Japanese market. Post divestment of 70% of the Company's equity holding in Evotec (India) Private Limited to Evotec AG, the Drug Discovery & Development Services carried by the Company through Evotec (India) Private Limited and its subsidiary Evotec-RSIL Limited no longer forms part of the Company's activities with effect from September 01, 2009.

Your Company's entertainment activities are currently into pre-production of a new feature film in Hindi which is expected to commence its production shortly.

Exports:

FBL continues to increase its exports by introduction of new products and expanding its market reach. FBL enjoys a presence in over 22 countries like US, UK, Germany, Belgium, Netherlands, China, Brazil, Spain, France, Mexico, Switzerland, Turkey, Saudi Arabia, Iran, Israel, New Zealand & Sri Lanka. FBL supplies products to more than 200 companies across 15 major Indian cities. Amongst the new markets in European Union, business was initiated in Spain and Belgium.

INDUSTRY STRUCTURE and DEVELOPMENTS:

The industry structure, strength and development in relation to Manufacturing, Drug Discovery and Development Services and Entertainment activities are reviewed, as under:

Pharmaceuticals - Manufacturing and Marketing:

The Indian pharmaceutical industry has shown impressive growth over the last few years and has become one of the sunrise sectors of the Indian

economy. A highly organized sector, the Indian pharmaceutical industry is estimated to be worth \$4.5 billion, growing at about 8% to 9% every year. The pharmaceutical industry in India ranks very high in Third World countries, in terms of technology, quality and range of medicines manufactured. Globally the Indian pharmaceutical industry ranks fourth in terms of volume, 13th in terms of value and produces 20% to 24% of the world's generic drugs (in terms of value).

Drug Discovery and Development Services:

Protracted drug discovery development programmes, prolonged regulation-mandated testing, complex review processes, rapidly escalating R&D expenditures and competition are compelling pharmaceutical companies to outsource various services to cost effective and highly skilled destinations in Asia.

India's total contract research revenues amount to just USD 75 million, but is expected to grow at 23.6% CAGR, hitting USD 175 million by end 2010. India has emerged as an attractive destination for outsourcing research services owing to its low cost manufacturing, lower cost of R&D personnel, lower capital and operational costs for quality infrastructure of international standards.

Entertainment:

The Indian Media and Entertainment (M&E) industry stood at US\$ 12.9 billion in 2009 registering a 1.4 per cent growth over last year, according to a joint report by KPMG and an industry chamber. Over the next five years, the industry is projected to grow at a compound annual growth rate (CAGR) of 13 per cent to reach the size of US\$ 24.04 billion by 2014, the report stated.

CONCERNS AND THREATS:

Pharmaceuticals – Manufacturing and marketing:

As the Company is expanding its presence in providing novel enzyme solutions for β lactams and Cephalosporin antibiotics, it becomes important to create awareness about these emerging technologies. Though, there has been clear shift of approach from environmental regulatory bodies towards "pollution free", enzymatic processes, the process of transformation is relatively slower. FBL needs to strengthen its product pipelines in biotech and bulk drugs segments. It also needs to commercialize its enzyme for conversion into

β lactams and Cephalosporin antibiotics.

Due to poor IPR regime and ease of reverse engineering, few of the customers may short circuit a legitimate technology, leading to loss of potential opportunities. There is also a greater commitment from countries like China to develop and promote indigenous technologies which could compete with FBL's technologies.

Drug Discovery and Development Services:

Since drug discovery and development activity is high resource intensive with low success rate, most foreign companies look at India and other Asian countries as alternative research outsourcing destinations. Hence global players are looking for these kind of collaborative opportunities to spruce up their pipelines and cut timelines to market and reduce costs associated with drug discovery and development.

It is clear that entertainment and media industry may face various IPRs and cyber law issues in future. The Information and Communication Technology (ICT) may also bring certain novel challenges before them. Barring few high production costs and marginal returns have been the concerns for most of the entertainment entities.

OPPORTUNITIES AND OUTLOOK:

FBL has developed a novel Penicillin G Acylase which is having a potential to replace traditional chemical route for synthesizing antibiotics. The product has been jointly patented by the Company to protect and maintain its exclusive presence in the market. FBL also intends to continue its R&D program to generate better intellectual property and to remain competitive and provide novel and better products to the customers.

FBL continues to focus on adding new products in its biotech and APIs divisions. A visible and growing awareness about usage of Vitamin D3 and its benefits among the physicians and consumers is now concreted with year on year growth in Vitamin D3 sales. The application areas of Vitamin D3 in food, feed and nutritional products seem to be one of the major growth drivers. Given the niche of this product there is scope for FBL to capitalize and consolidate Vitamin D3 business in emerging economies.

PUBLIC DEPOSIT

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

DIRECTORS

Mr. Satish Varma, Executive Director of the Company, tendered his resignation as the Executive Director of the Company with effect from April 30, 2010. He will however act as a Non – Executive Director of the Company.

Mr. Krishna Datla was re-appointed as the Managing Director of the Company with effect from May 9, 2010.

Ms. Rajeshwari Datla retires by rotation and being eligible, has consented for her re-appointment as Director at the ensuing Annual General Meeting.

AUDITORS

Messrs S. R. Batliboi & Associates, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a certificate from them to the effect that their appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the Act.

AUDITORS' REPORT

With reference to the observation(s) made by the Auditors in paragraph No. 5 in the consolidated Auditors' Reports in the consolidation of financial statements of Vasko Glider s.r.o., a Joint Venture entity which are prepared as per the accounting policies prevailing in the Czech Republic, Company has decided to obtain financial statements of Vasko Glider s.r.o., which will conform with the accounting principles generally accepted in India.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed;

- ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts for the financial year ended March 31, 2010 have been prepared on a 'going concern' basis.

SUBSIDIARY COMPANIES

Ministry of Corporate Affairs, New Delhi vide letter no. 47/336/2010-CL-III dated April 21, 2010 has granted exemption to the Company under Section 212(8) of the Companies Act, 1956 from attaching the financials of subsidiary companies to the Annual Report 2009-10. Financial information of the subsidiary companies is disclosed in the Annual Report as per the provisions of Section 212 of the Companies Act, 1956. The Company will provide the financial statements of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The Company shall put the details of Accounts of individual subsidiary companies on its website.

Your Company had executed a Share Purchase and a Shareholders' Agreement with Evotec AG, concerning transfer of 2,54,94,000 equity shares i.e. 70% of the paid up equity share capital of Evotec (India) Private Limited held by the Company. Post transfer of such shares in Evotec (India) Private Limited, Evotec AG's equity holding constitutes 70% and your Company's equity holding constitutes 30% of the paid up equity share capital in Evotec (India) Private Limited.

DISCLOSURES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Particulars of employees as required under Section 217(2A) of the Act read with Companies (Particulars of Employees) Rules, 1975, as amended, is given in the annexure to this Report.

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

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

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

(B) Foreign Exchange Earnings and Outgo

Foreign Exchange outgoings are provided in Note No. 7 under Schedule 15 of the Accounts.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance is appended herewith along with the Corporate Governance Certificate issued by S.N. Ananthasubramanian & Co., Practicing Company Secretaries.

HUMAN RESOURCES

With our new organizational horizon, the Human Resources function has evolved in the last year. Along with inducting talent, value adding through employee development activities, this year, we have benchmarked our compensation and benefits with the other prominent players in the market. This is done to ensure we not only attract the best available resources but we also retain the human capital. This year we have also ventured in the direction of job - behavior analysis which further enhances employee productivity and morale. As on 31st March 2010, the employee strength stands 50 for the company and 155 for the other group companies.

INTERNAL CONTROL SYSTEMS

The Company has adopted an internal control system commensurate with its size, nature of operations, reporting(s) and compliance with applicable laws and regulations.

The Company has a well staffed, experienced and qualified Finance Department who play an important

role in implementing and monitoring the internal control environment and compliance with statutory requirements.

The Internal Audit is conducted by an independent firm of Chartered Accountants

The Audit Committee and the Board of Directors reviews the report(s) of an independent Internal Auditor on regular interval, on the adequacy and effectiveness of Internal Control system and suggests ways to improve it.

SOCIAL INITIATIVES

Your company continues to support charitable organization(s) by providing support, training and development programmes to needy children.

ACKNOWLEDGEMENTS

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board

G. G. Desai
Chairman

Thane, August 13, 2010

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

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR 2009-2010

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010.

Name	Age (Yrs.)	Designation	Gross Remu- neration (Rs.)	Qualifications	Experi- ence (Yrs.)	Date of joining	Previous Employment
Irfan Bandukwalla	39	Head - Strategic Planning and Business Development	4,467,339	B.Com. A.C.A.	18	01.09.2003	Percept Finserve Private Limited
K H Kashid	60	Chief Financial Officer	4,150,496	B.Com. (Hons.) A.C.A.	35	16.02.1978	A. F. Ferguson & Co.
Satish Varma	40	Executive Director	4,088,888	Computer Science	16	24.10.1994	First Employment
Krishna Datla	29	Managing Director	2,973,415	B.Com	10	03.09.2001	First Employment

Notes :

1. The Gross remuneration shown above is subject to tax and comprises salary, allowances, monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund / Superannuation Fund.
2. In addition to the above remuneration, employees are entitled to gratuity in accordance with the Company's rules.
3. The nature of employment is contractual.

For and on behalf of the Board

G. G. Desai
Chairman

Thane, August 13, 2010

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

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the information required under Corporate Governance is set out below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

DIL continues to strive for excellence in good governance and responsible management practices. The Company's philosophy on Corporate Governance envisages attainment of high level of integrity, fairness, transparency and accountability in its functioning and interactions with shareholders, employees and government agencies.

BOARD OF DIRECTORS

- The Composition of the Board as on March 31, 2010 was as under :

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

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

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

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

PROFILE OF DIRECTORS

Ms. Rajeswari Datla

Ms. Rajeshwari Datla (60) has rich experience in Pharmaceutical Industry. Ms. Datla joined the Board of Directors as an Additional Director w.e.f July 21, 2005.

Ms. Datla is a Director in the following Companies:

- Dupen Laboratories Pvt. Ltd.
- Lacto Cosmetics (Vapi) Pvt. Ltd.
- Mars Printers Pvt. Ltd.

Ms. Datla is a member of Audit Committee of DIL Limited. She holds 18,716 shares of the Company.

Ms. Rajeshwari Datla, Director retires by rotation and being eligible, has consented for her re-appointment.

Mr. Krishna Datla

Mr. Krishna Datla (29) has been re-appointed as the Managing Director of the Company w.e.f May 9, 2010.

Mr. Datla is a Commerce Graduate from the Mumbai University. He is involved in the decision-making process and new businesses of the Company.

Mr. Datla is a Director in the following Companies:

- Fermenta Biotech Limited
- Evotec (India) Private Limited
- Evotec – RSIL Limited
- Aegean Properties Limited
- DVK Investments Private Limited
- VM Café De Art Private Limited

Mr. Datla is a member of the Shareholders' / Investors' Grievance Committee and Investment Committee of DIL Limited, Audit Committee, Share Transfer Committee and Remuneration Committee of Fermenta Biotech Limited and the Audit Committee of Evotec – RSIL Limited and Evotec (India) Private Limited.

BOARD MEETINGS

- Five Board Meetings were held during the year on June 18, 2009, July 30, 2009, August 6, 2009, October 29, 2009, and January 29, 2010.

Name	Meetings held in Director's tenure	Meetings attended	Attendance at last Annual General Meeting held on September 29, 2009
Mr. G. G. Desai	5	5	Present
Ms. Rajeshwari Datla	5	5	Present
Mr. Sanjay Buch#	5	5	Present
Mr. Satish Varma	5	4	Present
Mr. Krishna Datla	5	5	Present
Mr. Vinayak Hajare*	4	3	Present

* Mr. Vinayak Hajare was appointed as an Additional Director w.e.f. June 18, 2009.

Mr. Sanjay Buch attended the meeting via tele conference on August 6, 2009.

AUDIT COMMITTEE

- The Composition of the Audit Committee as on March 31, 2010 was as under:

Name of the Director	Designation	Meetings attended
Mr. G. G. Desai	Chairman	6
Ms. Rajeshwari Datla	Member	6
Mr. Sanjay Buch **	Member	6
Mr. Vinayak Hajare #	Member	4

** Mr. Sanjay Buch attended the meeting via tele conference on August 6, 2009

Mr. Vinayak Hajare was appointed as the Member of the Audit Committee w.e.f June 18, 2009.

During the year under review, six Audit Committee meetings were held on May 25, 2009, June 18, 2009, July 30, 2009, August 6, 2009, October 29, 2009 and January 29, 2010. The representatives of the Statutory Auditors and Internal Auditors also attended the Audit Committee meeting(s).

- Terms of reference:**

In addition to the role of Audit Committee as per the provisions of Clause 49 II (D), the terms of references of the Committee are as follows:

- Review company's financial reporting process and accounting policies and practices.
- Recommend and review appointment, reappointment and removal of auditors and their performances and fixation of audit and other fees.
- Review, with management, quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval.
- Review of adequacy of internal control systems and internal audit function.
- Review of reports furnished by Internal and Statutory Auditor and to ensure that suitable follow-up action is taken.
- Discussion with Statutory Auditors about nature and scope of audit and areas of concern.
- Examination of disclosure aspects of related party transactions.
- Ensure compliance with listing and other legal requirements relating to financial statements.
- Review of financial statements of subsidiary companies.
- Review substantial defaults in payments to stakeholders and creditors.
- Any other functions as may be statutorily required.

REMUNERATION COMMITTEE

- The Remuneration Committee is entirely composed of Independent Directors. The Composition of the Remuneration Committee as on March 31, 2010 was as under:

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

Mr. Vinayak Hajare was appointed as the Member of the Remuneration Committee w.e.f June 18, 2009.

During the year under review, no Remuneration Committee meetings were held.

- Terms of reference & remuneration policy:**

The terms of reference of the Committee include recommending to the Board of Directors, the remuneration package of the Wholetime Directors including commission. The Non-Executive Directors receive sitting fees for attending the meetings of Board and Boards' Committees.

- Details of remuneration of Directors for the year ended March 31, 2010:**

Name of Director	Sitting Fees * (Rs.)	Salary (Rs.)	Contribution to PF and other funds (Rs.)	Benefits & Perquisites (Rs.)	Total (Rs.)
Mr. G. G. Desai Independent Director	1,50,000	—	—	—	1,50,000
Ms. Rajeshwari Datla Non-Executive Director	1,30,000	—	—	—	1,30,000
Mr. Sanjay Buch Independent Director	1,50,000	—	—	—	1,50,000
Mr. Krishna Datla ** Managing Director	—	26,00,000	2,88,000	85,415	29,73,415
Mr. Satish Varma ** Executive Director	—	31,15,000	5,68,000	4,05,888	40,88,888
Mr. Vinayak Hajare Independent Director	75,000	—	—	—	75,000
TOTAL	5,05,000	57,15,000	8,56,000	4,91,303	75,67,303

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

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

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- The composition of the Shareholders'/ Investors' Grievance Committee as on March 31, 2010 was as under:
Mr. G. G. Desai - Chairman
Mr. Sanjay Buch
Mr. Krishna Datla
Mr. Satish Varma
- Name and designation of Compliance Officer : Mr. Srikant N. Sharma - Company Secretary.
Investor Helpdesk:
Mr. Srikant Sharma / Ms. Dhanya Santosh
DIL Limited
DIL Complex, Ghodbunder Road, Near Tatvagyaan Vidyapeeth, Majiwada, Thane (West) – 400610
Tel No.022-67980800 / 888 Fax:-022-67980999
srikant.sharma@dil.net/ dhanya.santosh@dil.net.
- The number of investor complaints received and resolved during 2009-2010 was 28.
- Pending complaints as of March 31, 2010 were **Nil**.

GENERAL BODY MEETINGS

- The last three Annual General Meetings were held as under :

Year	Date and Time	Location	Special Resolution(s) passed
2006-2007	September 14, 2007 at 3.00 p.m.	'dil' Complex, Ghodbunder Road, Majiwada, Thane (West) 400610.	No Special resolution was passed
2007-2008	September 26, 2008 at 3.00 p.m.	– same as above –	Re-appointment of Mr. Satish Varma as Executive Director of the Company for a period of five years
2008-2009	September 29, 2009 at 3.00 p.m.	– same as above –	No special resolution was passed.

POSTAL BALLOT

During the year under review, no resolution was passed through postal ballot.

EXTRA ORDINARY GENERAL MEETING

No Extraordinary General Meetings were held since 2006-2007.

DISCLOSURES

- The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.
- In line with the requirement of the amended Clause 49 of the Listing Agreement, the Company appointed a reputed consultancy firm to do a complete review of the potent risks areas to the Company and to devise systems for review and implementation. The risk management reports are subject to review by the Audit Committee and Board of Directors.
- During the year, there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the Annual Report.

- During the last three years, there were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.
- Pursuant to Clause 49 of the Listing Agreement, the Managing Director/ Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2010. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- The Board of Directors may formulate Whistle Blower Policy in future.

- **Secretarial Audit**

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid – up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- **Compliance with Mandatory Requirements:**

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India.

- **Compliance with Non-Mandatory Requirements:**

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

- **Shareholder's Rights**

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

MEANS OF COMMUNICATION

- The quarterly results, published in the proforma prescribed by the Listing Agreement, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter. The approved results are forthwith sent to the Bombay Stock Exchange Limited where the Company's shares are listed.
- Newspapers wherein quarterly results are published : Business Standard & Sakal
- Any website, where displayed : Yes, BSE website
- Whether it also displays official news releases and presentations made to institutional investors or to analysts : Not applicable
- Management discussion and analysis report (MD&AR) is a part of the Annual report or not : MD&A Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting : Monday, September 27, 2010 at 3.00 p.m. at 'dil' Complex, Ghodbunder Road, Majiwada, Thane (W), 400610.
- Financial Year : April 1 to March 31
- Financial reporting for the quarter ending June 30, 2010 : By August 15, 2010
- Financial reporting for the quarter ending September 30, 2010 : By November 15, 2010
- Financial reporting for the quarter ending December 31, 2010 : By February 15, 2011
- Financial reporting for the year ending March 31, 2011 : By May 15, 2011

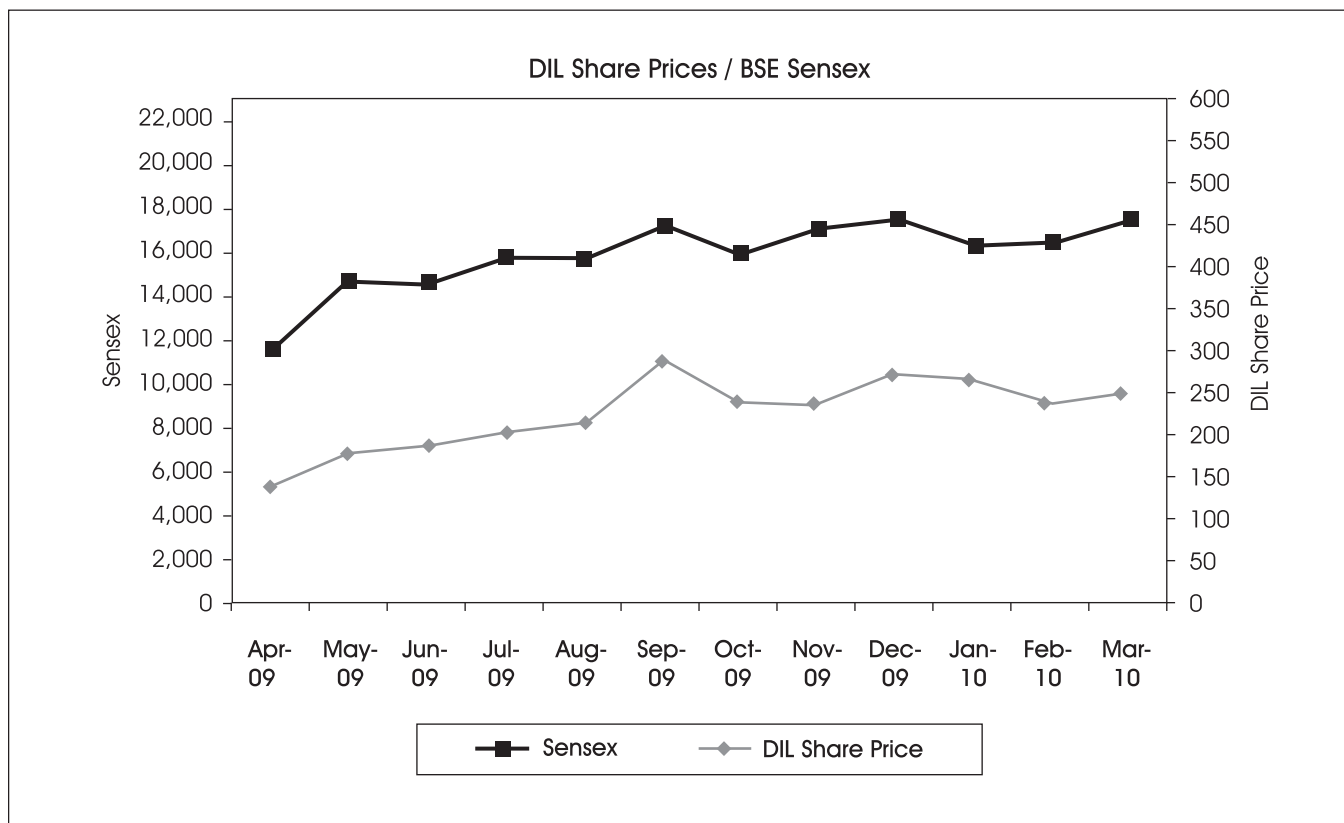
- Date of Book closure : September 17, 2010 to September 27, 2010 (Both days inclusive)
- Dividend Payment Date : on or after September 30, 2010
- Listing on Stock Exchanges : Bombay Stock Exchange Limited
(Listing Fees for the year 2010-11 has been paid)
- Stock Code on the Bombay Stock Exchange Limited : 506414
- Market Price Data : High / low during each month in the last financial year.

Month	Bombay Stock Exchange Limited	
	Highest (Rs.)	Lowest (Rs.)
April 2009	163.50	106.00
May 2009	181.00	122.10
June 2009	224.95	171.05
July 2009	219.00	170.10
August 2009	220.85	184.00
September 2009	291.15	195.00
October 2009	309.00	236.00
November 2009	268.00	217.00
December 2009	285.50	233.15
January 2010	299.95	250.00
February 2010	267.00	229.00
March 2010	299.60	240.00

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

Month	DIL's Closing Price (Rs.)	Sensex Closing Price (Rs.)	No. of shares traded
April 2009	134.50	11,403.25	19,760
May 2009	176.55	14,625.25	11,867
June 2009	183.75	14,493.84	54,002
July 2009	201.50	15,670.31	20,746
August 2009	211.10	15,666.64	47,250
September 2009	288.75	17,126.84	1,15,791
October 2009	239.80	15,896.28	59,857
November 2009	236.45	16,926.22	37,001
December 2009	275.00	17,464.81	31,944
January 2010	264.05	16,357.96	38,542
February 2010	236.50	16,429.55	47,130
March 2010	250.00	17,527.77	72,455

• DIL LIMITED's Share Price Movement / BSE Sensex



- Registrar and Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078.
Tel No : +91 22 2594 6970
Fax No : +91 22 2596 2691
Email : rnt.helpdesk@linkintime.co.in
- Share Transfer System : Shares are normally transferred within a period of 15 days from the date of receipt, provided the documentation is in place. In order to expedite the process of share transfers, the Board of Directors has delegated the powers of share transfer and related matters to Mr. G. G. Desai, Chairman of the Shareholder/Investors Grievance Committee and Mr. Sanjay Buch, Member of the Shareholders/Investors Grievance Committee, who shall attend the share transfer formalities atleast once a fortnight. The meeting of Shareholders' / Investors' Grievance Committee is also held once in every 3 months. All transfers of shares in physical mode are registered and approved by authorised signatories of the Company.

- Distribution of shareholding as on March 31, 2010

Sr. No.	Range	Holding	Amount (Rs.)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 5,000	3,73,246	37,32,460	16.27	4899	96.34
2	5,001 - 10,000	71,007	7,10,070	3.10	97	1.91
3	10,001 - 20,000	57,237	5,72,370	2.50	40	0.79
4	20,001 - 30,000	32,867	3,28,670	1.43	13	0.25
5	30,001 - 40,000	14,231	1,42,310	0.62	4	0.08
6	40,001 - 50,000	18,273	1,82,730	0.80	4	0.08
7	50,001 - 1,00,000	79,146	7,91,460	3.45	11	0.22
8	1,00,001 and above	16,47,191	1,64,71,910	71.83	17	0.33
Total		22,93,198	2,29,31,980	100.00	5085	100.00

- Shareholding Pattern as on March 31, 2010

	Shareholding	% of Holding
Promoters	13,66,293	59.58
Foreign Banks & NRI's	3,082	0.14
Banks & Financial Institutions	17	0.00
Other Bodies Corporate	1,37,232	5.98
General Public	7,78,069	33.93
Clearing Members	6,172	0.27
Trusts	2,333	0.10
Total	22,93,198	100.00

- Dematerialisation of Shares: The Company, along with Link Intime India Private Limited, has signed Tripartite Agreements with both National Securities Depository Ltd. and Central Depository Services (India) Ltd. The shares of the Company are compulsorily tradable in the dematerialized form by all investors. About 32.46% of the Equity Shares of the Company are now de-materialized.

• Address for Correspondence :

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

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

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

Tel No : +91 22 6798 0888
Fax No : +91 22 6798 0999
Email : srikant.sharma@dil.net

Thane, August 13, 2010

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

For and on behalf of the Board

G. G. Desai
Chairman

CODE OF CONDUCT

Declaration as required under Clause 49 of the Listing Agreement

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2010.

for DIL LIMITED

Thane
August 13, 2010

KRISHNA DATLA
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all relevant records of DIL Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited for the financial year ended 31st March 2010. We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate 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.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the company has complied with:-

- a) all the mandatory conditions of the said Clause 49 of the Listing Agreement.
- b) the following non-mandatory requirements of the said Clause 49 of the Listing Agreement:
 - Remuneration Committee.

For S. N. ANANTHASUBRAMANIAN & CO.

S. N. Ananthasubramanian

C.P. No.: 1774

Date : August 13, 2010

Place: Thane

Auditors' Report

To

The Members of DIL Limited

1. We have audited the attached balance sheet of DIL Limited ('the Company') as at March 31, 2010 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants
Firm Registration No. 101049W

per Sudhir Soni
Partner

Membership No.: 41870
Place : Mumbai
Date : May 22, 2010

Annexure referred to in paragraph 3 of our report of even date

Re: DIL Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The nature of the business of the Company is such that it does not have inventory in tangible form. Accordingly, the provisions of clause 4 (ii) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the Company.
- (iii) (a) The Company has granted unsecured loan to a subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount involved during the year was Rs. 300 lakhs and the year-end balance of loans granted to such party was Rs. 300 Lakhs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loan granted to the subsidiary company which was repayable on demand, repayment of the principal amount and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) (f) and (g) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the year, the Company has not undertaken any activity for the purchase of inventory and the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance

of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act	Sales Tax	99.67*	1995-96	Sales Tax Appellate Tribunal
The Gujarat Sales Tax Act	Sales Tax and Penalty	4.63	1992 to 1994	Sales Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty and Penalty	67.21	1992 to 1994	Commissioner of Central Excise Appeals, Daman
Central Excise Act, 1944	Service tax and Penalty	15.00	2000-2001	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise tax and Penalty	2.25	2003-2004	Customs, Excise & Service Tax Appellate Tribunal

* Company has provided and paid the same under protest

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues to a financial institution or debenture holders.
- (xii) According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.

- (xiv) The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The marketable securities and mutual funds have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S R BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration No. 101049W

per Sudhir Soni
Partner

Membership No.: 41870

Place : Mumbai

Date : May 22, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	229.32	229.32
Reserves and surplus	2	7,097.92	6,735.36
		<u>7,327.24</u>	<u>6,964.68</u>
Loan Funds			
Secured loans	3	42.64	38.53
TOTAL		<u>7,369.88</u>	<u>7,003.21</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block		2,035.39	1,910.67
Less: Accumulated depreciation		684.06	590.07
Less: Impairment provision		9.97	9.97
Net block	4	1,341.36	1,310.63
Capital work-in-progress including capital advances		15.89	38.36
		<u>1,357.25</u>	<u>1,348.99</u>
Investments	5	4,663.85	4,916.66
Deferred Tax Assets (net) (refer Schedule 15, Note 13)		9.30	28.16
Current Assets, Loans and Advances			
Sundry debtors	6	132.76	294.67
Cash and bank balances	7	890.73	845.01
Other current assets	8	79.66	56.17
Loans and advances	8	1,353.22	604.19
		<u>2,456.37</u>	<u>1,800.04</u>
Less: Current Liabilities and Provisions			
Current liabilities	9	678.01	620.98
Provisions	10	438.88	469.66
		<u>1,116.89</u>	<u>1,090.64</u>
Net Current Assets		<u>1,339.48</u>	<u>709.40</u>
TOTAL		<u>7,369.88</u>	<u>7,003.21</u>
Notes to Accounts	15		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

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

per SUDHIR SONI
Partner
Membership No : 41870

Mumbai
Date: May 22, 2010

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

SATISH VARMA
Director

K. H. KASHID
Chief Financial Officer

KRISHNA DATLA
Managing Director

SANJAY BUCH
Director

SRIKANT N. SHARMA
Company Secretary

RAJESHWARI DATLA
Director

VINAYAK HAJARE
Director

Thane
Date: May 22, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
INCOME			
Sales and other operating income	11	2,089.56	1,221.33
Other income	12	93.61	19.54
Total		2,183.17	1,240.87
EXPENDITURE			
Personnel expenses	13	232.54	222.39
Operating and other expenses	14	615.08	561.20
Interest - on term loans		3.44	3.38
- others (refer Schedule 15, Note 3 (a))		0.01	111.67
Provision for diminution in long term investments (refer Schedule 15, Note 4(c))		188.51	-
Depreciation	4	112.82	103.24
Impairment loss	4	-	5.94
Total		1,152.40	1,007.82
PROFIT BEFORE TAX		1,030.77	233.05
Add: Depreciation written back (refer schedule 15 Note 2(c))		-	179.72
PROFIT BEFORE TAX		1,030.77	412.77
Less: Provision for tax			
Current tax		247.00	33.59
Less: MAT credit entitlement		-	33.59
Deferred tax [includes Rs. 3.44 Lakhs debit for prior years (2009 - Rs. 47.12 Lakhs)]		18.86	61.90
Fringe benefit tax [includes Rs. Nil for prior years (2009 - Rs. 0.03 Lakh)]		-	8.88
		265.86	70.78
Add: Provision for tax in respect of earlier years written (off)/ back		0.09	(0.65)
PROFIT AFTER TAX		765.00	341.34
Add: Balance brought forward from previous year		1,973.21	2,069.31
BALANCE FOR APPROPRIATIONS		2,738.21	2,410.65
Appropriations			
Interim dividend		171.99	171.99
Proposed dividend		171.99	171.99
Dividend distribution tax		58.46	58.46
Transfer to general reserve		100.00	35.00
		502.44	437.44
BALANCE CARRIED TO BALANCE SHEET		2,235.77	1,973.21
Basic and diluted, earnings per share (Rs.)		33.36	14.88
Numerator - Profit after taxation (Rs. in Lakhs)		765.00	341.34
Weighted average number of equity shares of Rs. 10 each outstanding		2,293,198	2,293,198
Notes to Accounts	15		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors

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

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

per SUDHIR SONI
Partner
Membership No : 41870

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Mumbai
Date: May 22, 2010

Thane
Date: May 22, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	March 31, 2010 (Rs. in Lakhs)	March 31, 2009 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,030.77	412.77
Adjustments for :		
Depreciation	112.82	109.18
Depreciation written back	—	(179.72)
Unrealised foreign exchange (gain)/loss (net)	1.00	(0.50)
(Profit)/Loss on sale of fixed assets (net)	1.55	3.01
Loss on deletion of assets	—	0.36
Diminution in value of current investments	1.77	0.64
Profit on sale of equity shares	(607.83)	
Provision for doubtful advances	3.63	19.01
Operating profit/(loss) before working capital changes	543.71	364.75
Adjustments for :		
Decrease in sundry debtors	158.28	18.53
(Increase) in Other current assets	(23.49)	27.78
(Increase) in loans and advances	(483.06)	(64.27)
(Increase)/Decrease in investments	(508.84)	217.71
Increase/(Decrease) in current liabilities	54.44	(27.28)
(Decrease)/Increase in provisions	(29.50)	20.10
Cash generation from operations	(288.46)	557.32
Direct taxes paid (net of refunds and adjustments)	(214.16)	(31.81)
Net cash from operating activities (A)	(502.62)	525.51
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(127.42)	(151.99)
Proceeds from sale of fixed assets	4.79	2.45
Sale / (Purchase) of investments in subsidiary	1,367.71	(45.90)
Deposits (with maturity more than three months)	(1,127.03)	(766.88)
Proceeds of deposits matured (with maturity more than three months)	766.88	701.86
Net cash used in investing activities (B)	884.93	(260.46)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan received	23.55	34.07
Loan repaid	(19.44)	(17.29)
Dividend paid	(341.39)	(225.76)
Dividend distribution tax paid	(58.46)	(38.97)
Net cash used in financing activities (C)	(395.74)	(247.95)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2010 (Rs. in Lakhs)	March 31, 2009 (Rs. in Lakhs)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(13.43)	17.10
Cash and cash equivalents (Opening)	77.86	60.76
Cash and cash equivalents (Closing)	64.43	77.86
Components of cash and cash equivalents		
Cash on hand	1.28	0.79
With scheduled banks on:		
Current account	39.92	64.38
Margin account (under lien)	2.03	1.88
Unclaimed Dividend account*	13.42	10.83
Term deposits	825.00	765.00
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s. Czech Republic- on Current account	9.81	1.86
Effect of exchange difference	(0.73)	0.27
Balance as per Schedule 7	890.73	845.01
Less: Term Deposit with original maturity of more than three months	827.03	766.88
Add: Effect of exchange difference on Cash and Equivalents held in foreign currency	0.73	(0.27)
Cash & Cash Equivalent in Cash Flow Statement	64.43	77.86

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

As per our report of even date

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

per SUDHIR SONI
Partner
Membership No : 41870

Mumbai
Date: May 22, 2010

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 22, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 1 - SHARE CAPITAL:		
Authorised:		
49,20,000 (2009 - 49,20,000) Equity shares of Rs.10 each	492.00	492.00
80,000 (2009 - 80,000) Unclassified shares of Rs.10 each	8.00	8.00
	500.00	500.00
Issued and Subscribed and Paid up:		
22,93,198 (2009 - 22,93,198) Equity shares of Rs. 10 each fully paid	229.32	229.32
Of the above :-		
i) a) 13,20,000 (2009 - 13,20,000) equity shares and 50,000 (2009 - 50,000) equity shares out of the issued/subscribed and paid up share capital before buyback of share, were allotted as fully paid up bonus shares by capitalisation of General Reserve Rs.132.00 Lakhs (2009 - Rs. 132.00 lakhs) and Securities Premium Rs. 5.00 Lakhs (2009 - Rs. 5.00 Lakhs), respectively.		
b) 2,31,605 equity shares were bought back and extinguished by the Company during the year 2005-06		
ii) 12,10,528 (2009 - 12,10,528) equity shares are held by DVK Investments Private Limited, the holding company.		
	229.32	229.32
SCHEDULE 2 - RESERVES AND SURPLUS:		
Capital Reserve:	1,140.00	1,140.00
General Reserve:		
As per last Balance Sheet	3,622.15	3,587.15
Add: Transferred from profit and loss account	100.00	35.00
	3,722.15	3,622.15
Profit and Loss Account	2,235.77	1,973.21
	7,097.92	6,735.36
SCHEDULE 3 - SECURED LOANS:		
Term loans from banks (secured against hypothecation of vehicles) (Repayable within one year Rs. 19.37 Lakhs, (2009 - Rs. 18.63 Lakhs))	42.64	38.53
	42.64	38.53

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE 4 - FIXED ASSETS:

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTISATION					IMPAIRMENT / LOSSES				NET BLOCK	
	As at 1.4.09	Reclassi- fication	Addi- tions	Dele- tions	As at 31.3.10	As at 1.4.09	Reclassi- fication	For the year	Dele- tions	At 31.3.10	At 1.4.09	Reclas- sification	Additions/ (Reversal)	At 31.3.10	At 31.3.10	At 31.3.09
Tangible Assets																
Freehold land @	20.79	—	—	—	20.79	—	—	—	—	—	—	—	—	—	20.79	20.79
Buildings	671.31	*	—	58.48	729.79	149.96	*	—	27.63	177.59	—	—	—	—	552.20	521.35
Leased improvements \$	295.73	—	—	—	295.73	31.10	—	13.72	—	44.82	—	—	—	—	250.91	264.63
Plant and machinery **	477.30	(17.37)	15.90	2.28	473.55	131.21	(5.98)	27.18	2.28	150.13	9.97	—	—	9.97	313.45	336.12
Furniture and fixtures	278.81	—	0.79	—	279.60	205.96	—	18.14	—	224.10	—	—	—	—	55.50	72.85
Vehicles #	166.73	—	47.81	22.89	191.65	71.84	—	19.31	16.55	74.60	—	—	—	—	117.05	94.89
Sub Total	1,910.67	(17.37)	122.98	25.17	1,991.11	590.07	(5.98)	105.98	18.83	671.24	9.97	—	—	9.97	1,309.90	1,310.63
Intangible Assets																
Computer Software	—	17.37	2.43	—	19.80	—	5.98	2.71	—	8.69	—	—	—	—	11.11	—
Film Rights	—	—	24.48	—	24.48	—	—	4.13	—	4.13	—	—	—	—	20.35	—
Sub Total	—	17.37	26.91	—	44.28	—	5.98	6.84	—	12.82	—	—	—	—	31.46	—
TOTAL	1,910.67	—	149.89	25.17	2,035.39	590.07	—	112.82	18.83	684.06	9.97	—	—	9.97	1,341.36	1,310.63
Previous year	1,726.98	—	195.42	11.73	1,910.67	672.46	(179.72) +	103.24	5.91	590.07	4.03	5.94 +	—	9.97	1,310.63	

Note :

@ Includes Rs. 8.06 lakhs being cost of land held in trust by Directors of the Company.

* Major portion has been given on lease

** Includes:

Assets held for disposal - Gross block Rs. 26.53 Lakhs (2009 - Rs. 26.53 Lakhs)
- Net block Rs. Nil (2009 - Rs. Nil)

Includes vehicles hypothecated to banks:

Gross block Rs. 132.96 Lakhs (2009 - Rs. 100.91 Lakhs)
Net block Rs. 93.38 Lakhs (2009 - Rs. 73.86 Lakhs)

\$ This represents cost of construction of office premises for which the tenancy rights are with the Company and given on lease during the previous year.

+ Refer Schedule 15 Note 2 (c)

Face Value Rs.	March 31, 2010			March 31, 2009	
	Number	Rs. in Lakhs		Number	Rs. in Lakhs

SCHEDULE 5 - INVESTMENTS (fully paid-up):

Long term investments [unquoted unless otherwise stated (At cost)]:

Trade Investments

Equity shares:

Biodil Marsing Private Ltd.	10	59,000	5.90	59,000	5.90
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Other than Trade Investments

Government securities:

National Highways Authority Of India	10,000	250	25.00	—	—
Rural Electrification Corporation Limited	10,000	250	25.00	—	—

Equity shares:

Solvay Pharma India Ltd. (quoted)	10	93	0.01	93	0.01
Evotec (India) Pvt. Ltd. (formerly known as Research Support International Private Ltd.) (refer Schedule 15, Note 3 (b))	2	10,926,000	218.52	—	—

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	Face Value Rs.	March 31, 2010 Number	March 31, 2010 Rs. in Lakhs	March 31, 2009 Number	March 31, 2009 Rs. in Lakhs
SCHEDULE 5 - INVESTMENTS (fully paid-up): (contd.)					
Long term investments [unquoted unless otherwise stated (At cost)]: (contd.)					
Subsidiary Companies (Other than trade) (companies under the same management)					
Equity shares:					
Aegean Properties Ltd.	100	30,000	30.00	30,000	30.00
Fermenta Biotech Ltd.	100	7,677,500	1,265.72	7,677,500	1,265.72
Evotec (India) Pvt. Ltd. (formerly known as Research Support International Private Ltd.) (refer Schedule 15, Note 3 (b))	2	–	–	36,420,000	728.40
Preference shares:					
Fermenta Biotech Ltd.	10	700,000	700.00	700,000	700.00
Redeemable preference shares of Rs. 10 each subscribed at a premium of Rs. 90 per share. The shares would be redeemed either fully or in more than one instalment at the option of either company, at any time after 12 months from the date of allotment, i.e. December 23, 2004 but before 84 months from the aforesaid date at a premium of Rs.100 per share at the end of 12 months or Rs. 110 per share at the end of 24 months or Rs. 120 per share at the end of 36 months and so on.					
Evotec (India) Pvt. Ltd. (formerly known as Research Support International Private Ltd.)	10	–	–	250,000	250.00
Redeemable preference shares of Rs. 10 each subscribed at a premium of Rs. 90 per share. The shares would be redeemed either fully or in more than one instalment at the option of either company, at any time after 12 months from the date of allotment, i.e. March 28, 2007 but before 84 months from the aforesaid date at a premium of Rs.100 per share at the end of 12 months or Rs. 110 per share at the end of 24 months or Rs. 120 per share at the end of 36 months and so on.(refer Schedule 15, Note 3 (b))					
Joint venture (Other than trade) (refer Schedule 15, Note 4 (c))					
Vasko Glider s.r.o			188.51		188.51
			2,458.66		3,168.54
Less: Provision for diminution in value of investments (refer Schedule 15, Note 4 (c))					
			194.41		5.90
			2,264.25		3,162.64

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	Face Value	March 31, 2010	March 31, 2009
	Rs.	Number Rs. in Lakhs	Number Rs. in Lakhs
SCHEDULE 5 - INVESTMENTS (fully paid-up): (contd.)			
Current Investments (other than trade): (contd.)			
Others - Mutual Funds [(unquoted unless otherwise stated (at lower of cost and fair value))]			
Gold Benchmark Exchange Traded Scheme			
- Gold BEES (quoted)	10	2,341.000 37.64	- -
Nifty Benchmark Exchange Traded Scheme			
- Nifty BEES (quoted)	10	8,516.000 43.94	- -
DWS Cash Opportunities Fund			
- Institutional Plan Weekly Dividend	10	3,200,620.115 322.63	- -
HDFC Cash Management Fund			
- Treasury Advantage Plan -Wholesale - Weekly Dividend	10	3,059,520.952 306.62	2,307,612.200 231.18
HSBC Fixed Term Series 52 Inst Div			
- Tenure 1yr - Maturity: 07-May-09	10	- -	2,698,669.974 269.87
HSBC Ultra Short Term Bond Fund			
- Inst - Weekly Dividend	10	- -	1,809,152.839 181.70
ICICI Prudential 14 months FMP Series 51 Plan D			
- Dividend	10	2,000,000.000 200.00	- -
ICICI Prudential Flexible Income Plan Premium			
- Weekly Dividend	100	152,497.496 160.82	- -
ICICI Prudential Flexible Income Plan Premium			
- Weekly Dividend	10	- -	2,621,914.351 276.39
JM High Liquidity Fund - Institutional Plan - Dividend	10	- -	675,576.437 70.01
JM Money Manager Fund -Super Plus Plan			
- Weekly Dividend	10	- -	801,053.195 82.06
Kotak FMP 12 M Series 3 Institutional - Dividend	10	- -	3,094,703.707 309.48
Kotak Liquid (Institutional) - Weekly Dividend	10	- -	1,329,997.569 133.33
Kotak Floater Long Term - Weekly Dividend	10	1,864,434.099 187.89	- -
Kotak FMP 13 M Series 6 - Dividend	10	1,910,000.000 191.00	- -
Kotak Gold EFT (quoted)	10	888.000 14.28	- -
Kotak Nifty ETF (quoted)	10	2,861.000 14.72	- -
LIC MF Interval Fund - Series I - Annual Dividend Plan	10	- -	2,000,000.000 200.00
LIC Floating Rate Fund Short term Plan - Dividend	10	2,984,314.814 302.92	- -
LIC Savings Plus Fund - Weekly Dividend	10	3,063,572.774 306.47	- -
Templeton India Short Term Income Plan - Dividend	1,000	9,604.549 105.42	- -
UTI Treasury Advantage Fund- Institutional weekly Divided	1,000	20,506.417 205.25	- -
		2,399.60	1,754.02
		4,663.85	4,916.66

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	Face Value Rs.	March 31, 2010 Number Rs. in Lakhs	March 31, 2009 Number Rs. in Lakhs
SCHEDULE 5 - INVESTMENTS (fully paid-up): (contd.)			
Current Investments (other than trade): (contd.)			
Aggregate amount of quoted investments			
Long term - at cost - [i.e. market value Rs. 2.69 Lakhs (2009 - Rs. 0.50 Lakh)]		0.01	0.01
Current - at lower of cost and fair value [i.e. market value Rs.111.78 Lakhs (2009 - Rs. Nil)]		110.58	—
		<u>110.59</u>	<u>0.01</u>
Aggregate amount of unquoted investments			
Long term - at cost less provision for diminution in the value of investments		2,264.24	3,162.63
Current - at lower of cost and fair value (i.e. net asset value)		2,289.02	1,754.02
		<u>4,553.26</u>	<u>4,916.65</u>
		<u>4,663.85</u>	<u>4,916.66</u>
Investments purchased and sold/redeemed during the year other than those disclosed above: (at cost)			
Gold Benchmark Exchange Traded Scheme - Gold BEES (quoted)	10	324.000 5.36	— —
DWS Cash Opportunities Fund - Regular Plan Weekly Dividend	10	2,682,619.043 271.10	— —
DWS Short Maturity Fund - Institutional Weekly Dividend Plan	10	1,483,247.784 155.34	— —
HDFC Cash Management Fund - Treasury Advantage Plan -Wholesale - Weekly Dividend	10	— —	2,392,836.495 239.72
HDFC Short Term Plan - Dividend, Option: Reinvest	10	2,475,422.369 255.70	— —
HSBC Fixed Term Series 23 Inst - Dividend			8,680.916 0.87
HSBC Fixed Term Series 52 Inst Div - Tenure 1yr - Maturity: 07-May-09	10	66,798.920 6.68	— —
HSBC Ultra Short Term Bond Fund - Inst - Weekly Dividend	10	29,955.101 3.01	— —
ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	10	46,234.411 4.87	— —
ICICI Prudential Floating Rate Plan B - Dividend - Reinvest Dividend	10	— —	16,073.795 1.62
ICICI Prudential Institutional Short Term Plan - Dividend Reinvest	10	2,129,250.468 259.01	— —
ICICI Prudential Interval Fund II - Quarterly Interval Plan C - Retail Dividend - Reinvest Dividend	10	— —	138,389.479 13.84

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010			March 31, 2009	
	Face Value	Number	Rs. in Lakhs	Number	Rs. in Lakhs
	Rs.				
SCHEDULE 5 - INVESTMENTS (fully paid-up): (contd.)					
Current Investments (other than trade): (contd.)					
Investments purchased and sold/redeemed during the year other than those disclosed above: (at cost) (contd.)					
ICICI Prudential Quarterly Interval Fund II Quarterly Interval Plan F - Retail Dividend - Pay Dividend	10	—	—	2,500,000.000	250.00
JM Arbitrage Advantage Fund - Dividend Plan	10	—	—	54,062.262	5.51
JM High Liquidity Fund - Institutional Plan - Dividend	10	344,908.993	35.89	723,458.718	74.97
JM Money Manager Fund -Super Plus Plan - Weekly Dividend	10	3,098,434.103	318.49	—	—
Kotak Floater Long Term - Weekly Dividend	10	1,637,164.630	165.00	—	—
Kotak FMP 12 M Series 3 Institutional - Dividend	10	144,308.646	14.43	—	—
Kotak Liquid (Institutional) - Weekly Dividend	10	617,284.901	61.91	—	—
Kotak Quarterly Interval Plan Series I - Dividend				70,131.667	7.02
LIC MF Interval Fund - Series I - Annual Dividend Plan	10	161,454.426	16.15	—	—
Prudential ICICI FMP Series 46 - Six months Plan A - Institutional Dividend	10	—	—	1,000,000.000	100.00
Reliance Liquid Fund - Cash Plan - Daily Div Option	10	1,274,489.4050	164.29	—	—
Tata Floater Fund - Daily Dividend	10	—	—	2,501,777.487	251.07
Templeton India Ultra Short Bond Fund Retail Plan - Daily Dividend Reinvestment	10	—	—	3,002,325.790	300.77
Templeton Quarterly Interval Plan - Plan B - Institutional - Dividend Reinvestment	10	—	—	1,883,316.475	188.64
UTI Treasury Advantage Fund- Institutional weekly Dividend	1,000	19,977.803	199.98	—	—
SCHEDULE 6 - SUNDRY DEBTORS (unsecured):					
Debts outstanding for a period exceeding six months					
Considered good			6.53		131.27
Considered doubtful			5.97		2.34
			12.50		133.61
Other debts:					
Considered good			126.23		163.40
			138.73		297.01
Less: Provision for doubtful debts			5.97		2.34
			132.76		294.67
Sundry debtors include the following amounts due from companies under the same management:					
i. Fermenta Biotech Ltd.			61.95		35.90
ii. Research Support International Private Ltd. (refer Schedule 15, Note 3(b))			—		178.24
iii. Evotec RSIL Limited (refer Schedule 15, Note 3(b))			—		36.54
iv. G.I. Biotech Private Ltd.			1.25		1.25

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 7 - CASH AND BANK BALANCES:		
Cash on hand	1.28	0.79
With scheduled banks on:		
Current account	39.92	64.38
Margin account (under lien)	2.03	1.88
Unclaimed Dividend account	13.42	10.83
Term deposits	825.00	765.00
With non-scheduled bank :		
Ceskoslovenska obchodni banka, a.s. Czech Republic. - on Current account [Maximum balance outstanding during the year Rs. 20.99 Lakhs (2009 - Rs 15.24 Lakhs)]	9.08	2.13
	890.73	845.01

SCHEDULE 8 - OTHER CURRENT ASSETS, LOANS AND ADVANCES: (unsecured, considered good unless otherwise stated):

a) Other current assets

Interest accrued (includes Rs. 1.06 Lakhs (2009-Rs. Nil) from Government Bonds)	79.66	56.17
	79.66	56.17

b) Loans and advances

Advance to subsidiary companies [Maximum amount outstanding during the year Rs. 320.50 Lakhs (2009 - Rs. 127.00 Lakhs)]	311.00	20.50
Inter corporate deposit	300.00	-
Advance recoverable in cash or in kind or for value to be received		
Considered good	225.21	166.82
Considered doubtful	19.01	185.83
Amount lying with Portfolio Management Service	187.17	-
MAT credit entitlement	1.50	54.50
Advance tax, net of provisions	328.28	362.31
Balance with excise authorities	0.06	0.06
	1,372.23	623.20
Less: Provision for doubtful advance	19.01	19.01
	1,353.22	604.19

Note:

Advances due from companies under the same management:

i. Fermenta Biotech Ltd. [Maximum amount outstanding during the year Rs. 300.00 Lakhs (2009 - Rs.100.00 Lakhs)]	300.00	-
ii. Aegean Properties Ltd. [Maximum amount outstanding during the year Rs. 20.50 Lakhs (2009 - Rs.30.00 Lakhs)]	11.00	20.50

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010	March 31, 2009
	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 9 - CURRENT LIABILITIES:		
Sundry creditors (Note a)	31.86	80.75
Subsidiary companies (Note b)	0.73	18.39
Security deposits	564.23	433.57
Unclaimed dividends (Note c)	13.42	10.83
Unpaid matured fixed deposits (Note c)	–	0.03
Interest accrued on fixed deposits	–	0.01
Other liabilities	67.77	77.40
	<u>678.01</u>	<u>620.98</u>

Note:

- a) The Company does not have any dues payable to any micro, small and medium enterprises as per MSMED Act, 2006 as at the year end, identification of which is based on the management's knowledge of their status.
- b) Includes amount payable to subsidiaries
 - i. Fermenta Biotech Ltd.
 - ii. Research Support International Private Ltd.
- c) There is no amount due and outstanding to be credited to the Investor's Education and Protection Fund under Section 205C of the Companies Act, 1956.

SCHEDULE 10 - PROVISIONS:

Fringe benefit tax, net of advances	–	1.28
Gratuity	–	20.26
Long term compensated absences	36.44	45.68
Interim dividend	171.99	171.99
Proposed dividend	171.99	171.99
Dividend distribution tax	58.46	58.46
	<u>438.88</u>	<u>469.66</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010	March 31, 2009
	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 11 - SALES AND OTHER OPERATING INCOME :		
Royalty on sale of products	196.17	161.06
Service Income	90.63	15.75
Profit on sale of equity shares - long term (refer Schedule 15, Note 3(b))	607.83	—
Profit on sale/redemption of current investments		
- other than trade	1.83	31.69
Less: Loss on sale/redemption of current investments		
- other than trade	4.00	0.35
Less: Diminution (net) in the value of current investments - other than trade	1.77	0.64
Dividend Income from investments:	603.89	30.70
Current - other than trade	111.28	126.75
Interest on :		
Inter corporate deposits	28.39	—
Bank deposits	62.24	71.83
Others	14.52	12.47
(tax deducted at source Rs.3.71 Lakhs, 2009 - Rs. 16.81 Lakhs)		
Rent (tax deducted at source Rs. 149.58 Lakhs, 2009 - Rs. 65.84 Lakhs)	982.44	802.77
	2,089.56	1,221.33
SCHEDULE 12 - OTHER INCOME:		
Interest on income-tax refunds	91.87	12.21
Miscellaneous Income	1.74	7.33
	93.61	19.54
SCHEDULE 13 - PERSONNEL EXPENSES:		
Salaries, wages and bonus	184.07	156.83
Contribution to provident and other funds	26.18	23.94
Gratuity expenses (refer schedule 15, Note 11)	(0.63)	20.26
Employee welfare expenses	22.92	21.36
	* 232.54	* 222.39

* net of recovery of Rs. 138.53 Lakhs
(2009 - Rs. 206.70 Lakhs) from subsidiary companies.

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 14 - OPERATING AND OTHER EXPENSES:		
Power and fuel	22.07	19.60
Rates and taxes	9.29	8.40
Rent	15.51	13.10
Insurance	8.27	9.43
Repairs and maintenance:		
Plant and machinery	20.88	17.85
Buildings	14.72	70.80
Others	138.01	62.83
Bank charges	0.81	0.77
Advertising and sales promotion expenses	4.35	2.77
Business promotion expenses	3.95	5.23
Travelling and conveyance	27.68	72.93
Legal and professional charges (refer Schedule 15, Note 5)	247.21	166.87
Exchange loss (net)	0.15	2.32
Communication costs	19.47	13.93
Donation	0.21	1.63
Brokerage	—	3.98
Directors' sitting fees	5.05	6.45
Provision for doubtful debts	3.63	—
Provision for doubtful advances	—	19.01
Loss on sale of fixed assets (net)	1.55	3.01
Loss on deletion of fixed assets	—	0.36
Miscellaneous expenses	72.27	59.93
	** 615.08	** 561.20

** net of recovery of Rs. 142.99 Lakhs (2009 - Rs. 172.50 Lakhs) from subsidiary companies.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS:

1. Background

DIL Limited ('the Company') is in the business of renting properties, motion film production and distribution and in treasury operation. The Company also has strategic investments in subsidiary / associates, Companies primarily dealing in manufacturing of bulk drugs and contract research services.

2. Significant accounting policies:

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision of impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below in note 2(c) are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Changes in Accounting Policies

In the previous year, the Company changed (with retrospective effect) its method of providing depreciation on fixed assets from the Written Down Value ("WDV") Method to the Straight Line Method (SLM) at the rates prescribed in Schedule XIV to the Companies Act, 1956 or estimated useful life whichever is higher. The management believes that such change will result in a more appropriate presentation of these assets and will give a systematic basis of depreciation charge more representative of the time pattern in which the economic benefits will be derived from the use of such asset.

Had the Company continued to use the earlier basis of providing depreciation, the charge to the Profit and Loss Account for the previous year would have been higher by Rs. 34.11 Lakhs and the net block of fixed assets would correspondingly have been lower by Rs.34.11 Lakhs. The net surplus of Rs. 179.72 Lakhs and impairment of Rs. 5.94 Lakhs arising out of retrospective recomputation has been recognised in the previous year's Profit and Loss Account.

(d) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises cost of acquisition or construction including any attributable cost of bringing the asset to its working condition for its intended use, net of cenvat credit. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. No borrowing costs were eligible for capitalization during the year.

(e) Depreciation

Depreciation is provided on the original cost, pro-rata to period of use on the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, or estimated useful life, whichever is higher. (refer note 2 (c) above)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

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

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

(f) Intangible Assets

Costs relating to patents and licenses, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives.

Film rights	5
Computer software	6

(g) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 recognise a decline other than temporary in the value of the investments.

(i) Employee benefits

Retirement benefits in the form of provident fund and superannuation fund are defined contribution schemes and the Company has no further obligation beyond the contributions made to the respective funds. Contributions are charged to Profit and Loss Account in the period in which they accrue.

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

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

(j) Revenue recognition

Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Interest income on loans and deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Income from investments is accrued when the right to receive payment is established.

Revenue from licensing of motion film/Advertising projects (Event management) is recognised in accordance with the licensing agreement or physical delivery of the motion film/ Advertising projects (Event management), whichever is later.

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

Income from services is recognised on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates.

(k) Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into rupees at the rates of exchange prevailing on the date of the balance sheet. Non-monetary items which are carried in terms of historical cost denominated in foreign currency and reported using exchange rate at the date of transaction. All exchange differences are dealt with in the Profit and Loss Account. The financial statements of integral foreign operations are translated as if the transactions of foreign operation have been those of the Company itself.

(l) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease.

As lessee:

Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

As lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account immediately on a straight-line basis over the lease term. Costs, including depreciation and other initial direct costs like brokerage etc are recognised as an expense in the Profit and Loss Account.

(m) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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 realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company 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 Income Tax during the specified period.

(n) Provisions, contingent liabilities and contingent assets

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

(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 has not issued 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 purpose of cash flow statement comprise cash at bank including fixed deposit (having maturity of less than 3 months), cheques in hand and cash in hand.

(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.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common 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.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

3. (a) Interest includes interest on income tax amounting to Rs. Nil (2009-Rs.111.44 Lakhs) received in earlier years refunded back to Income Tax Department.
- (b) During the current year, the Company has executed a Share Purchase and a Shareholders' Agreement (Agreements) on August 31, 2009 with Evotec AG and transferred 2,54,94,000 equity shares of Rs. 2/- each. i.e. 70% of the paid up equity share capital of Research Support International Private Limited (RSIPL) (now known as Evotec (India) Pvt. Ltd.)(EIPL) for a consideration of Rs. 1,117 Lakhs, as a result of which w.e.f. September 1, 2009 EIPL and Evotec RSIL Ltd are no longer subsidiaries of the Company.

In addition, the Company is also entitled to receive an earn out based on achievement of "Earn Out Revenue" during the twelve months period ending on 31st August, 2010 as per the terms stipulated in the aforesaid agreement. Considering the uncertainty of achievement of Milestone based on the present trend in EIPL operations which is dependent on European market, the earn out amount is not ascertainable as on 31st March, 2010 and hence not recognized.

As per the terms of aforesaid agreement EIPL has redeemed the 2,50,000 preference shares of Rs. 10 each together with a premium of Rs. 90 per share subscribed at the time of issue by waiving additional premium as per Preference issue document.

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
4. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16.29	18.24
(b) Contingent liabilities, including amounts not provided, for tax matters in respect of earlier years for which appeals are pending before appropriate authorities	89.10	15.33
(c) 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 is as follows:-

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
i) Percentage of holding	50%	50%
ii) Assets	31.63	53.21
iii) Liabilities	0.20	0.82
iv) Income	5.03	3.48
v) Expenditure	25.22	24.61
vi) Capital Commitment	—	—
vii) Contingent liabilities	—	—

Management believes that though this investment has long term potential based on the expected exploitation of the joint venture's technology, in view of the accumulated losses of Joint Venture there is substantial erosion in the value of investment and accordingly provision for diminution of Rs.188.51 lakhs has been made in the current year.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
5. Auditors' remuneration:		
Statutory audit fees	6.75	5.00
In other capacity in respect of:		
Report under section 44AB of the Income-tax Act, 1961	1.43 *	0.90 *
Other services	3.03 *	3.12 *
Reimbursement of out-of-pocket expenses	0.65 *	0.36 *
Service Tax	1.22	1.11
* includes amount payable to another auditor	<u>13.08</u>	<u>10.49</u>
6. Remuneration to Directors		
1. Managerial remuneration under section 198 of the Companies Act, 1956		
Salary	57.15	54.36
Contribution to provident Fund and other funds	8.56	7.78
Contribution to gratuity	2.16	2.03
Perquisites and benefits at actuals	4.91	4.90
	<u>** 72.78</u>	<u>** 69.07</u>
2. Directors' sitting fees	5.05	6.45
	<u>** 77.83</u>	<u>** 75.52</u>
** In view of inadequacy of profit, the remuneration is as per Schedule XIII of the Companies Act, 1956.		
7. Expenditure in foreign currency (on cash basis) :		
Travelling	3.07	10.87
Others	77.79	70.17
	<u>80.86</u>	<u>81.04</u>
8. Segment information		

Primary Segments - Business Segments

The primary reporting of the Company has been performed on the basis of business segment, which consists of treasury & others and entertainment. 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.

	Rs. in Lakhs		
	2009-2010		
	2008-2009		
	Treasury & Others	Entertainment	Total
a. Revenue			
1. Segment revenue - External sales / income from operations	2,089.56	—	2,089.56
	1,220.09	1.24	1,221.33
Unallocated revenue			93.61
			19.54
2. Total			<u>2,183.17</u>
			<u>1,240.87</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

8. Segment information (contd.)

	Rs. in Lakhs		
	2009-2010		
	2008-2009		
	Treasury & Others	Entertainment	Total
b. Result			
1. Segment result / operating profit / (loss)	1,002.01 388.79	(61.40) (60.23)	940.61 328.56
2 Interest expense			3.45 115.05
3 Unallocable Income			93.61 19.54
4 Profit before tax			1,030.77 233.05
Depreciation written back	— 176.63	— 3.09	— 179.72
5 Provision for tax			
- current tax			247.00 —
- deferred tax			18.86 61.90
- fringe benefit tax			— 8.88
Provision for tax in respect of earlier years written back			0.09 (0.65)
6 Profit after tax			765.00 341.34
c. Other information			
1. Segment assets	8,110.53 7,620.95	37.16 27.93	8,147.69 7,648.88
2 Unallocated corporate assets			339.08 444.97
3. Total assets			8,486.77 8,093.85
4. Segment liabilities	734.06 697.97	9.61 17.93	743.67 715.90
5. Unallocated corporate liabilities			415.86 413.27

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

8. Segment information (contd.)

	Rs. in Lakhs		
	2009-2010		
	2008-2009		
	Treasury & Others	Entertainment	Total
6. Total liabilities			1,159.53 1,129.17
7. Cost incurred during the year to acquire segment fixed assets	127.42 150.65	– 1.34	127.42 151.99
8. Depreciation	104.71 99.29	8.11 3.95	112.82 103.24
9. Impairment loss recognised/(reversed)	– 5.94	– –	– 5.94
10 Non-cash expenses other than depreciation, Provision for diminution (net) in the value of			
- current investments - other than trade	1.77 0.64	– –	1.77 0.64
- long term investments - other than trade	188.51 –	– –	188.51 –

Secondary Segments - Geographical Segments

Secondary segmental reporting is performed on basis of the geographical location of the operations and the Company has only one geographical segment i.e. India.

9. 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. Fermenta Biotech Ltd.
3. Fermenta Biotech (UK) Ltd. (100% subsidiary of Fermenta Biotech Ltd.)
4. G. I. Biotech Private Ltd. (62.50% subsidiary of Fermenta Biotech Ltd.) *
5. Evotec (India) Pvt. Ltd. (formerly known as Research Support International Private Limited) upto August 31, 2009
6. Evotec – RSIL Ltd. (subsidiary of Research Support International Private Limited) upto August 31, 2009

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

Fellow Subsidiary

VM Café de Art Private Ltd.

Key Management Personnel

1. Mr. Krishna Datla - Managing Director
2. Mr. Satish Varma - Executive Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

9. Related party disclosures (contd.)

c. Joint Venture

Vasko Glider s.r.o. **

d. Associates

1. Evotec (India) Pvt. Ltd. (formerly known as Research Support International Private Ltd.) (w.e.f. September 1, 2009)
2. Evotec RSIL Ltd. (subsidiary of Evotec (India) Pvt. Ltd.) (w.e.f. September 1, 2009)

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

f. Transactions with related parties.

						Rs. in Lakhs
Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture **	Key Management Personnel	Associate	
1 Loans and advances given						
- Fermenta Biotech Ltd.		500.00 (100.00)				
- Evotec (India) Pvt. Ltd.		—				350.00 (—)
2 Loans and advances recovered						
- Fermenta Biotech Ltd.		200.00 (100.00)				
- Aegean Properties Ltd.		9.50 (9.50)				
- Evotec (India) Pvt. Ltd.						350.00 (—)
3 Interest on loan						
- Fermenta Biotech Ltd.		11.23 (10.02)				
- Evotec (India) Pvt. Ltd.						5.61 (—)
4 Remuneration						
- Mr. Satish Varma				41.89 (38.23)		
- Mr. Krishna Datla				30.89 (30.84)		
5 Rent income						
- Aegean Properties Ltd.		0.48 (0.48)				
- DVK Investments Private Ltd.	0.48 (0.48)					
- Evotec-RSIL Limited		16.22 (27.59)				31.97 (—)
- Fermenta Biotech Ltd.		23.45 (23.45)				
- G. I. Biotech Private Ltd.		— (0.43)				
- Evotec (India) Pvt. Ltd.		71.50 (53.43)				100.11 (—)
- VM Café de Art Private Ltd.			0.48 (0.48)			

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

f. Transactions with related parties (contd.)

						Rs. in Lakhs
Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture **	Key Management Personnel	Associate	
6 Rent paid						
- Aegean Properties Ltd.		12.00 (12.00)				
7 Other reimbursements paid						
- Fermenta Biotech Ltd.		2.39 (1.29)				
- Evotec (India) Pvt. Ltd.		3.47 (7.88)			18.57 (—)	
8 Other reimbursements received						
- Aegean Properties Ltd.		0.42 (—)				
- Evotec RSIL Limited		15.32 (25.91)			15.61 (—)	
- Fermenta Biotech Ltd.		166.19 (175.43)				
- Evotec (India) Pvt. Ltd.		99.58 (239.80)			45.41 (—)	
9 Royalty income						
- Fermenta Biotech Ltd.		196.17 (159.82)				
10 Service income received						
- Evotec RSIL Limited		6.89 (15.75)				
- Evotec (India) Pvt. Ltd.					83.47 (—)	
11 Additional investment in equity share capital						
- Evotec (India) Pvt. Ltd.		— (45.90)				
12 Balance outstanding as at the year end						
a. Sundry creditors (refer Schedule 9, Note (b))		0.73 (18.39)				
b. Sundry Debtors (refer Schedule 6)		63.20 (251.93)			51.68 (—)	
c. Provision for doubtful debts *		1.25 (—)				
d. Provision for diminution in value of investments**			188.51 (—)			
e. Advance recoverable (refer Schedule 8, Note (b))		311.00 (20.50)				

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

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

Sr. Name	Balance as at March 31, 2010	Maximum amount outstanding during the year ended March 31, 2010
	Rs. in Lakhs	Rs. in Lakhs
1. Loans and advances in the nature of loans to subsidiaries (refer Schedule 8)	311.00	320.50
2. Loans and advances in the nature of loans where there is no repayment schedule and is interest-free (included above)		
– Aegean Properties Ltd.	11.00	20.50
3. Loans and advances in the nature of loans to firms / companies in which directors are interested		
Loans and advances given during the year		
– Aegean Properties Ltd.	–	–
– Fermenta Biotech Ltd.	500.00	300.00
Loans and advances outstanding at the year end		
– Aegean Properties Ltd.	11.00	20.50
– Fermenta Biotech Ltd.	300.00	300.00

10. Leases

March 31, 2010
Rs. in Lakhs

March 31, 2009
Rs. in Lakhs

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, escalation clauses and is not renewable.

1. Lease payment recognised in the statement of profit and loss for the year.	15.51	13.10
---	-------	-------

Assets given on operating lease

The Company has entered into operating lease agreement for its properties in Thane and Worli, Mumbai with original lease periods expiring between 2009 and 2014. These agreements are cancellable/non cancellable and have rent escalation provisions.

1 Rent income recognised in the statement of profit and loss for the year.	982.44	802.77
2 Future minimum lease payment under the noncancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	82.45	82.45
ii) Later than one year and not later than five years	41.23	82.45
iii) More than five years	–	41.23

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

11. Employee Benefits

March 31, 2010
Rs. in Lakhs

March 31, 2009
Rs. in Lakhs

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under personnel expenses, provident and other funds on schedule 13 for the year are as under:

- Provident fund	23.03	21.22
- Superannuation Scheme	3.15	2.72

b) Defined Benefit Plan

Gratuity and long term compensated absences - As per actuarial valuation

	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Gratuity (Funded)		Long term compensated absences (Unfunded)	
i) Changes in the present value of the defined benefit obligation				
Opening	49.51	26.82	45.68	31.17
Interest cost	3.66	2.01	3.43	2.34
Current service cost	8.13	10.07	9.13	11.49
Benefits paid	-	-	(6.24)	(1.16)
Actuarial (gains) / losses on obligation	(8.16)	10.61	(15.56)	1.84
Closing	53.14	49.51	36.44	45.68
ii) Changes in fair value of plan assets				
Opening	29.25	12.15	-	-
Expected return on plan assets	3.58	1.67	-	-
Actuarial (gains) / losses on obligation	0.68	0.76	-	-
Employer's contribution	20.41	14.67	-	-
Benefits paid	-	-	-	-
Closing	53.92	29.25	-	-
iii) Amounts recognised in balance sheet				
Present value of defined benefit obligation	53.14	49.51	36.44	45.68
Fair value of plan asset	53.92	29.25	-	-
Net liability recognised in balance sheet	0.78	(20.26)	(36.44)	(45.68)
iv) Amounts recognised in profit and loss account				
Current service cost	8.13	10.07	9.13	11.49
Interest cost	3.66	2.01	3.43	2.34
Actual return on plan assets	(3.58)	(1.67)	-	-
Net actuarial (gain) /loss recognised	(8.84)	9.85	(15.56)	1.84
Total expense	(0.63)	20.26	(3.00)	15.67

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

11. Employee Benefits (contd.):

b) Defined Benefit Plan (contd.)

	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Gratuity (Funded)		Long term compensated absences (Unfunded)	
v) Actual return on plan assets	3.58	1.67	—	—
vi) Principal assumptions used in actuarial valuation				
Discount rate	7.50%	7.50%	7.50%	7.50%
Expected return on plan assets	9.15%	8.75%	N.A.	N.A.
Salary escalation rate	10%	10%	10%	10%
Employee turnover	1%	1%	1%	1%
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, 2010	March 31, 2009	March 31, 2008
viii) Amounts for the current and previous two periods			
Defined benefit obligation	53.14	49.51	26.82
Plan Assets	53.92	29.25	12.15
Surplus/(deficit)	0.78	(20.26)	(14.67)
Experience Adjustments on plan liabilities	8.84	(9.85)	(7.76)
Experience Adjustments on plan assets	1.44	0.76	0.44

- ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.
- b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- c) The estimates of rate escalation in salary considered in the actuarial valuation take in to account inflation, seniority promotion and other relevant factors including supply demand in the employment market.
- d) The Company is expected to contribute to the Gratuity fund during 2010-11 Rs. Nil (2009 - Rs. 12.08 Lakhs during 2009-2010)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

12. Particulars of un-hedged foreign currency exposure as at March 31, 2010

	March 31, 2010			March 31, 2009		
	Foreign Currency	Rs. in Lakhs		Foreign Currency	Rs. in Lakhs	
a) Investments	Kc 9,654,000	188.51		Kc 9,654,000	188.51	
b) Cash and bank balance	Kc 381,093	9.08		Kc 85,026	2.13	
	EURO 472.28	0.29		EURO 472.28	0.33	

13. Deferred Taxes

Nature of timing difference	Deferred tax asset/(liability) as at April 1, 2009	(Charge)/credit for the current year	Deferred tax asset/(liability) as at March 31, 2010
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
a) Deferred tax assets			
Demerger expenses	3.74	(2.59)	1.15
Items covered under section 43B	15.52	(3.14)	12.38
Provision for doubtful debts/advances	7.26	1.23	8.49
Carried forward tax losses.	33.04	(4.10)	28.94
Sub-total	59.56	(8.60)	50.96
b) Deferred tax liability			
Depreciation/ Impairment	(31.65)	(8.07)	(39.72)
Others	0.25	(2.19)	(1.94)
	(31.40)	(10.26)	(41.66)
Net amount	28.16	(18.86)	9.30

14. Previous year's figures have been regrouped wherever necessary.

As per our report of even date

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

per SUDHIR SONI
Partner
Membership No : 41870

Mumbai
Date: May 22, 2010

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 22, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

15. Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.

						8	4	8	5
--	--	--	--	--	--	---	---	---	---

State Code

1	1
---	---

Balance Sheet Date

3	1		0	3		2	0	1	0
---	---	--	---	---	--	---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Rights issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Bonus Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Private Placement

			N	I	L				
--	--	--	---	---	---	--	--	--	--

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities

			7	3	6	9	8	8
--	--	--	---	---	---	---	---	---

Total Assets

			7	3	6	9	8	8
--	--	--	---	---	---	---	---	---

Sources of Funds :

Paid-up Capital

				2	2	9	3	2
--	--	--	--	---	---	---	---	---

Reserves & Surplus

			7	0	9	7	9	2
--	--	--	---	---	---	---	---	---

Secured Loans

				4	2	6	4
--	--	--	--	---	---	---	---

Unsecured Loans

			N	I	L			
--	--	--	---	---	---	--	--	--

Application of Funds :

Net Fixed Assets

			1	3	5	7	2	5
--	--	--	---	---	---	---	---	---

Investments

			4	6	6	3	8	5
--	--	--	---	---	---	---	---	---

Deferred Tax Asset

						9	3	0
--	--	--	--	--	--	---	---	---

Net Current Assets

			1	3	3	9	4	8
--	--	--	---	---	---	---	---	---

Misc. Expenditure

			N	I	L			
--	--	--	---	---	---	--	--	--

Accumulated Losses

			N	I	L			
--	--	--	---	---	---	--	--	--

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

			2	1	8	3	1	7
--	--	--	---	---	---	---	---	---

Total Expenditure

			1	1	5	2	4	0
--	--	--	---	---	---	---	---	---

Profit/(Loss) Before Tax

	+		1	0	3	0	7	7
--	---	--	---	---	---	---	---	---

Profit/(Loss) After Tax

	+		7	6	5	0	0
--	---	--	---	---	---	---	---

(Please tick Appropriate box + for Profit, - for Loss)

Earnings Per Share (Rs.)

			3	3	.	6	6
--	--	--	---	---	---	---	---

Dividend Rate %

1	5	0
---	---	---

SCHEDULE 15 - NOTES TO THE ACCOUNTS (contd.):

15. Balance Sheet Abstract and Company's General Business Profile (contd.):

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

[illegible][illegible]

Signature to Schedules 1 to 15

For and on behalf of the Board of Directors

RAJESHWARI DATLA
Director

VINAYAK HAJARE
Director

SRIKANT N. SHARMA
Company Secretary

Thane

Date: May 22, 2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES :

		Fermenta Biotech Ltd.	Fermenta Biotech (UK) Ltd.*	G. I. Biotech Pvt. Ltd.**	Research Support International Pvt. Ltd. ***	Evotec - RSIL Limited ****	Aegean Properties Ltd.
(A) The 'Financial Year' of the Subsidiary Company	:	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
(B) Shares of the subsidiary held by DIL Limited on the above dates							
(a) Number and face value	:	76,77,500 shares of Rs. 10 each	2,20,001 shares of G.B. Pound 1 each	6,250 shares of Rs. 10 each	3,64,20,000 shares of Rs. 2 each	42,84,000 shares of Rs. 10 each	30,000 shares of Rs. 100 each
(b) Extent of holding	:	95.97%	100%	62.50%	100%	51%	100%
(C) The net aggregate of profit / loss of the subsidiary company so far as it concerns the members of DIL Ltd.							
(a) not dealt with in the accounts of DIL Ltd. for the year ended March 31, 2010 amounted to							
(i) for the subsidiary's financial year ended as in (A) above.	:	401.86	(14.86)	1.72	(24.60)	(12.13)	6.72
(ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary.	:	868.41	(25.07)	(1.10)	440.51	(185.23)	13.25
(b) dealt with in the accounts of DIL Ltd. for the year ended March 31, 2010 amounted to							
(i) for the subsidiary's financial year ended as in (A) above.	:	NIL	NIL	NIL	NIL	NIL	NIL
(ii) for the previous financial years of the subsidiary since it became the Holding Company's subsidiary.	:	NIL	NIL	NIL	NIL	NIL	NIL

* 100% Subsidiary of Fermenta Biotech Ltd.

** 62.5% Subsidiary of Fermenta Biotech Ltd.

*** 100% Subsidiary upto August 31, 2009. Ceased to be subsidiary w.e.f. September 1, 2009.

**** 51% Subsidiary of Research Support International Private Ltd. upto August 31, 2009. Ceased to be subsidiary w.e.f. September 1, 2009.

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 22, 2010

Auditor's Report

The Board of Directors
DIL Limited

1. We have audited the attached consolidated balance sheet of DIL Limited ('the Company'), and its subsidiaries (collectively referred to as 'the Group'), as at March 31, 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 218.48 Lakhs as at March 31, 2010, the total revenue of Rs. 889.68 Lakhs and cash outflows amounting to Rs. 6.64 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. As stated in Note 1(c) of Schedule 18 of the consolidated financial statements, certain associates, whose financial statements reflect the Group's share of total loss of Rs. 24.93 lakhs for the year ended March 31, 2010, have not been audited and have been considered in the consolidated financial statements based solely on the unaudited separate financial statements certified by the management.
5. As explained in Note 1(b) and 2(a) of Schedule 18, the Company's share of assets of Rs. 31.63 Lakhs, revenue of Rs. 5.02 Lakhs and net cash outflows of Rs. 6.85 Lakhs of the joint venture company included in the consolidated financial statements are based on unaudited

financial statements and the consequent impact, if any, of the adjustments that may be required to be made to these financial statements to conform to the accounting principles generally accepted in India and to align accounting policies with those of the Company, is not quantifiable. Our audit report on the consolidated financial statements for the year ended March 31, 2009 was similarly modified in respect of the above matter

6. Except for the matter referred to in paragraph 5 above, where we are unable to comment on the impact, if any, of the adjustments required to be made to these financial statements to conform with the accounting principles generally accepted in India, we report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us and *subject to the matter referred to in paragraph 4*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants
Firm Registration No. 101049W

per Sudhir Soni

Partner
Membership No.: 41870

Place: Mumbai
Date: May 22, 2010

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	229.32	229.32
Reserves and surplus	2	8,457.78	7,708.99
		<u>8,687.10</u>	<u>7,938.31</u>
Minority Interest		91.30	307.53
Loan Funds			
Secured loans	3	1,370.84	1,800.94
		<u>1,370.84</u>	<u>1,800.94</u>
TOTAL		<u>10,149.24</u>	<u>10,046.78</u>
APPLICATION OF FUNDS			
Goodwill on consolidation		534.33	534.33
Less: Impairment		121.00	121.00
		<u>413.33</u>	<u>413.33</u>
Fixed Assets			
Gross block		5,489.27	6,862.39
Less: Accumulated depreciation		1,958.90	1,987.59
Less: Impairment provision		9.97	9.97
Net block	4	3,520.40	4,864.83
Capital work-in-progress including capital advances		690.77	410.96
		<u>4,211.17</u>	<u>5,275.79</u>
Investments	5	2,693.21	1,756.04
Deferred tax assets, (net) (refer Schedule 18, Note 8)		35.89	0.54
Current Assets, Loans and Advances			
Inventories	6	731.68	794.72
Sundry debtors	7	1,195.16	1,392.66
Cash and bank balances	8	1,260.49	1,325.26
Other current assets	9	79.22	71.68
Loans and advances	9	1,293.57	1,078.45
		<u>4,560.12</u>	<u>4,662.77</u>
Less: Current Liabilities and Provisions			
Current liabilities	10	1,197.02	1,434.18
Provisions	11	567.46	627.57
		<u>1,764.48</u>	<u>2,061.75</u>
Net Current Assets		<u>2,795.64</u>	<u>2,601.02</u>
Miscellaneous expenditure	12	-	0.06
(to the extent not written off or adjusted)			
TOTAL		<u>10,149.24</u>	<u>10,046.78</u>

Notes to Accounts

18

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

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

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

per SUDHIR SONI
Partner
Membership No : 41870

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Mumbai
Date: May 22, 2010

Thane
Date: May 22, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
INCOME			
Sales and other operating income	12	6,794.24	6,699.16
Other income	13	133.74	61.41
Profit on sale of subsidiary (refer Schedule 18, Note 4(c))		495.79	—
		7,423.77	6,760.57
EXPENDITURE			
Purchase of finished goods		93.67	—
Material costs	14	1,497.60	1,327.30
(Increase)/ Decrease in inventories	15	(19.17)	182.51
Personnel expenses	16	1,408.57	1,754.38
Operating and other expenses	17	2,348.55	2,329.72
Miscellaneous expenditure written off		0.06	0.06
Interest - on term loans		92.69	113.79
Interest - others		49.68	188.38
Provision for impairment in the value of goodwill		—	121.00
Depreciation		442.93	469.35
Impairment loss		—	5.94
		5,914.58	6,492.43
PROFIT BEFORE TAX (includes profit from operations relating to discontinued operation Rs.138.30 Lakhs (2009 - Rs.259.47 Lakhs) (refer Schedule 18, Note 4(c))		1,509.19	268.14
Add: Depreciation written back (refer Schedule 18, Note 2(d)(ii)) (includes depreciation written back from operating relating to discontinued operation Rs. Nil (2009 - Rs.162.60 Lakhs)		—	364.83
PROFIT BEFORE TAX (includes profit from operations relating to discontinued operation Rs.138.30 Lakhs (2009 - Rs.422.07 Lakhs) (refer Schedule 18, Note 4(c))		1,509.19	632.97
Less: Provision for taxation			
Current tax (includes Rs.61.32 Lakhs (2009 - Rs. Nil) tax on profit on sale of shares (refer Schedule 18, Note 4(c))		338.24	104.16
Less: MAT credit entitlement		—	33.89
		338.24	70.27
Deferred tax [includes Rs.3.44 Lakhs debit for prior years (2009 - Rs.47.12 Lakhs)]		(12.05)	88.07
Fringe benefit tax [includes Rs.Nil for prior years (2009 - Rs.0.03 Lakhs)]		—	21.33
Total tax expense (includes tax relating to discontinued operation Rs. 0.30 Lakhs (2009 - Rs.74.94 Lakhs) (refer Schedule 18, Note 4(c))		326.19	179.67
Add: Provision for tax in respect of earlier years written back(net)		(0.32)	(0.77)
PROFIT AFTER TAX (includes profit from operations relating to discontinued operation Rs.138.00 Lakhs (2009 - Rs.347.13 Lakhs) (refer Schedule 18, Note 4(c))		1,182.68	452.53
Share of minority interest in (profit) / loss		(5.75)	131.65
Share of interest in profit/(loss) of associates (refer Schedule 18, Note 1(a))		(24.93)	—

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

Schedule	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
PROFIT AFTER MINORITY INTEREST	1,152.00	584.18
Add: Balance brought forward	2,335.73	2,188.99
BALANCE FOR APPROPRIATIONS	3,487.73	2,773.17
Appropriations		
Interim dividend	171.99	171.99
Proposed dividend	171.99	171.99
Dividend distribution tax	58.46	58.46
Transfer to general reserve	100.00	35.00
	502.44	437.44
BALANCE CARRIED TO BALANCE SHEET	2,985.29	2,335.73
Basic and diluted, earnings per share (Rs.)	50.24	25.47
Numerator - Profit after taxation (Rs. in Lakhs)	1,152.00	584.18
Weighted average number of equity shares of Rs. 10 each outstanding	2,293,198	2,293,198
Nominal value per equity share (Rs.)	10	10

Notes to Accounts

18

The schedules referred to above and notes to accounts form an integral part of Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors

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

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

per SUDHIR SONI
Partner
Membership No : 41870

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Mumbai
Date: May 22, 2010

Thane
Date: May 22, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	March 31, 2010 (Rs. in Lakhs)	March 31, 2009 (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	1,509.19	632.97
Adjustments for :		
Depreciation	442.93	475.29
Exceptional Items- Depreciation written back consequent to change in method	-	(364.83)
Foreign exchange (loss)/gain - unrealised	46.30	(60.77)
Impairment of goodwill	-	121.00
Profit on sale of subsidiary	(495.79)	(70.60)
Provision for doubtful debts	22.54	-
Provision for doubtful advances	5.08	19.01
Miscellaneous expenditure written off	0.06	0.06
Doubtful advances written off	3.54	-
Profit/ Loss on sale of fixed assets (net)	1.11	5.92
Diminution in value of current investments	1.77	0.64
Operating profit before working capital changes	1,536.73	758.69
Adjustments for :Increase/(Decrease) in current liabilities	309.99	(2.01)
Increase/(Decrease) in provisions	(14.46)	59.51
(Increase)/Decrease in investments	(697.35)	215.71
(Increase)/Decrease in sundry debtors	(66.42)	85.74
(Increase)/Decrease in inventories	15.93	(12.18)
(Increase)/ Decrease in current assets	(38.89)	17.19
(Increase)/ Decrease in loans and advances	(640.73)	(171.07)
Cash generation from operations	404.80	951.58
Direct taxes paid (net of refunds and adjustments)	(200.33)	(114.54)
Net cash from/(used in) operating activities	(A) 204.47	837.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,063.15)	(1,319.02)
Proceeds from sale of fixed assets	4.49	49.91
Deposits (with maturity more than three months)	(827.03)	(766.88)
Proceeds of deposits matured (with maturity more than three months)	766.88	701.86
Proceeds from sale of subsidiary shares (refer Schedule 18, note 4 (c))	1,117.71	70.98
Proceeds from redemption of investment in Preference Shares	250.00	-
Net cash from investing activities	(B) 248.90	(1,263.15)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010 (contd.)

PARTICULARS	March 31, 2010 (Rs. in Lakhs)	March 31, 2009 (Rs. in Lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	–	44.10
Proceeds of long term borrowings	328.77	435.82
Repayment of long term borrowings	(413.45)	(185.25)
Short term borrowings (net)	2.73	356.05
Dividend paid	(341.39)	(225.76)
Dividend distribution tax	(58.46)	(38.97)
Net cash used in financing activities (C)	(481.80)	385.99
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(28.43)	(40.12)
CASH AND CASH EQUIVALENTS (OPENING)	557.46	
Less Pursuant to sale of subsidiary	(94.79)	597.58
CASH AND CASH EQUIVALENTS (CLOSING)	434.24	557.46
Components of cash and cash equivalents		
Cash on hand	3.36	2.93
With scheduled banks on:		
Current account	358.37	420.10
Margin account (under lien)	2.03	1.88
Dividend account*	13.42	10.83
Term deposits	825.00	824.69
With non-scheduled bank:		
Current account	59.09	63.91
Effect of exchange difference	(0.78)	0.92
Balance as per Schedule 8	1,260.49	1,325.26
Less: Term deposits with original maturity of more than three months	827.03	766.88
Less: Unrealised gain on foreign currency cash and cash equivalents	0.78	(0.92)
Total cash and cash equivalents in cash flow statement	434.24	557.46
* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities		

As per our report of even date

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

per SUDHIR SONI
Partner

Membership No : 41870

Mumbai
Date: May 22, 2010

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

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Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 22, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 1 - SHARE CAPITAL:		
Authorised:		
49,20,000 (2009 - 49,20,000) Equity shares of Rs.10 each	492.00	492.00
80,000 (2009 - 80,000) Unclassified shares of Rs.10 each	8.00	8.00
	500.00	500.00
Issued and Subscribed:		
22,93,198 (2009 - 22,93,198) Equity shares of Rs.10 each fully paid	229.32	229.32
Of the above:-		
i) a) 13,20,000 (2009 - 13,20,000) equity shares and 50,000 (2009 - 50,000) equity shares out of the issued/subscribed and paid up share capital before buyback of shares, were allotted as fully paid up bonus shares by capitalisation of General Reserve Rs.132.00 Lakhs (2009 - Rs. 132.00 lakhs) and Securities Premium Rs. 5 Lakhs (2009 - Rs.5 Lakhs), respectively		
b) During the year 2005 - 06, the Company bought back and extinguished 2,31,605 equity shares		
ii) 12,10,528 (2009 - 12,10,528) equity shares are held by DVK Investments Private Limited, the holding company.		
SCHEDULE 2 - RESERVES AND SURPLUS:		
Capital Reserve:	1,140.00	1,140.00
General Reserve:		
As per last Balance Sheet	4,187.70	4,152.70
Add: Transferred from profit and loss account	100.00	35.00
	4,287.70	4,187.70
Foreign Currency Translation Reserve		
As per last Balance Sheet	45.56	41.88
Add: Change during the year	(0.77)	3.68
	* 44.79	45.56
Profit and Loss Account	** 2,985.29	2,335.73
	*** 8,457.78	7,708.99
* includes share in joint venture Rs.44.79 Lakhs (2009 - Rs.45.56 Lakhs)		
** includes share of loss in joint venture Rs.(202.93) Lakhs (2009 - Rs.(181.14) Lakhs)		
*** includes share loss in joint venture Rs.(158.14) Lakhs (2009 - Rs.(135.58) Lakhs)		

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

March 31, 2010
Rs. in Lakhs

March 31, 2009
Rs. in Lakhs

SCHEDULE 3 - SECURED LOANS:

Long term loan

Term loans from banks secured against hypothecation of vehicles
(Repayable within one year Rs. 37.13 Lakhs, (2009 - Rs. 34.72 Lakhs)) **71.83** 74.07

Term loan from a bank secured by way of first charge on fixed assets
procured with financial assistance of the term loan and by equitable mortgage
of factory land and building at Kullu. (Repayable within a year Rs. 212.82 Lakhs,
(2009 - Rs. 169.62 Lakhs)) **599.67** 534.42

Term loan from a bank secured by way of first charge on all plant and machinery
and other assets of Research Support International Private Limited at Thane
(Repayable within a year Rs. Nil (2009 - Rs. 156.00 Lakhs)), — 337.84

Working Capital loan

Packing Credit from bank secured by way of hypothecation of the Company's
entire stocks of raw materials, semi-finished, and finished goods, consummable
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. **400.00** 558.00

Cash Credit from banks, against hypothecation of inventories and book debts **299.34** 296.61

1,370.84 1,800.94

SCHEDULE 4 - FIXED ASSETS:

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTISATION					IMPAIRMENT / LOSSES				NET BLOCK	
	As at 1.4.09	Reclassi- fication	Addi- tions	Dele- tions++	As at 31.3.10	As at 1.4.09	Reclassi- fication	For the year	Dele- tions++	At 31.3.10	At 1.4.09	Reclas- sification	Additions/ (Reversal)	At 31.3.10	At 31.3.10	At 31.3.09
Tangible Assets																
Freehold land @	56.83	—	—	—	56.83	—	—	—	—	—	—	—	—	56.83	56.83	
Buildings	1,553.36 *	—	110.76	150.52	1,513.60	298.00 *	—	60.61	27.44	331.17	—	—	—	1,182.43	1,255.36	
Leased improvements \$	295.73	—	—	—	295.73	31.10	—	13.72	—	44.82	—	—	—	250.91	264.63	
Plant and machinery ** %	4,254.92	(17.37)	531.85	1,895.30	2,874.10	1,311.45	(5.98)	284.69	372.76	1,217.40	9.97	—	—	9.97	1,646.73	2,933.50
Furniture and fixtures	422.08	—	24.55	125.42	321.21	253.69	—	32.39	48.84	237.24	—	—	—	83.97	168.39	
Vehicles #	279.47	—	75.31	46.77	308.01	93.35	—	30.32	22.46	101.21	—	—	—	206.80	186.12	
Sub Total	6,862.39	(17.37)	742.47	2,218.01	5,369.48	1,987.59	(5.98)	421.73	471.50	1,931.84	9.97	—	—	9.97	3,427.67	4,864.83
Intangible Assets																
Computer Software	—	17.37	81.28	3.34	95.31	—	5.98	17.07	0.12	22.93	—	—	—	—	72.38	—
Film Rights	—	—	24.48	—	24.48	—	—	4.13	—	4.13	—	—	—	—	20.35	—
Sub Total	—	17.37	105.76	3.34	119.79	—	5.98	21.20	0.12	27.06	—	—	—	—	92.73	—
TOTAL	6,862.39	—	848.23	2,221.35	5,489.27	1,987.59	—	442.93	471.62	1,958.90	9.97	—	—	9.97	3,520.40	4,864.83
Previous year	5,357.51	—	1,572.89	68.01	6,862.39	1,895.25	(364.83)	+	469.35	12.18	1,987.59	4.03	5.94 +	—	9.97	4,864.83

Note :

@ Includes Rs. 8.06 lakhs being cost of land held in trust by Directors of the Company.

* Major portion has been given on lease

** Includes:

Assets held for disposal - Gross block Rs. 26.53 Lakhs (2009 - Rs. 26.53 Lakhs)
- Net block Rs. Nil (2009 - Rs. Nil)

% Share in joint venture assets.

- Gross Value Rs.3.86 Lakhs (2009 Rs. 3.07 Lakhs)
- Accumulated depreciation Rs.3.05 Lakhs (2009 - Rs. 1.58 Lakhs)
- Net block Rs.0.81 Lakhs (2009 - Rs. 1.49 Lakhs)
- Depreciation Rs.0.66 Lakhs (2009 - Rs. 0.79 Lakhs)

Includes vehicles hypothecated to banks:

Gross block Rs.198.48 Lakhs (2009 - Rs.169.17 Lakhs) Net block Rs. 151.06 Lakhs (2009 - Rs.136.07 Lakhs)

\$ This represents cost of construction of office premises for which the tenancy rights are with the Company and given on lease during the previous year.

+ Refer schedule 18 note 2(d)(ii)

+ + Includes value of assets of Evotec (India) Pvt. Limited (formerly known as Research Support International Private Limited (RSIPL))
as on August 31, 2009, consequent upon disinvestment of 70% equity share capital of RSIPL (refer Schedule 18, note 1(a))

- Gross Value Rs.2,189.44 Lakhs (2009 - Rs. Nil)
- Accumulated depreciation Rs.446.84 Lakhs (2009 - Rs. Nil)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Face Value Rs.	March 31, 2010 Number	Rs. in Lakhs	March 31, 2009 Number	Rs. in Lakhs
SCHEDULE 5 - INVESTMENTS (fully paid-up):					
Long term investments [unquoted unless otherwise stated (At cost)]:					
Trade Investments					
Equity shares:					
Biodil Marsing Private Limited *	10	59,000	5.90	59,000	5.90
Shivalik Solid Waste Management Limited	10	20,000	2.00	20,000	2.00
Other than Trade Investments					
Government securities:					
National Savings Certificate	1,000	—	—	1	0.01
National Highways Authority Of India	10,000	250	25.00	—	—
Rural Electrification Corporation Limited	10,000	250	25.00	—	—
Equity shares:					
Solvay Pharma India Limited	10	93	0.01	93	0.01
Evotec (India) Pvt. Ltd .(formerly known as Research Support International Private Ltd.) (refer Schedule 18, Note 1 (a))	2	10,926,000	218.52	—	—
Add: Share in reserves of associates as on August 31, 2009 net of intercompany adjustments			48.01		—
Less: Share of losses during Sept 1, 2009 to March 31, 2010			(24.93)	241.60	—
				299.51	7.92
				5.90	5.90
				293.61	2.02
Less: Provision for diminution in value of investments *					
Current investments (other than trade):					
Others - Mutual Funds [unquoted unless otherwise stated (at lower cost and fair value)]					
Gold Benchmark Exchange Traded Scheme - Gold BEES (quoted)	10	2,341.000	37.64	—	—
Nifty Benchmark Exchange Traded Scheme - Nifty BEES (quoted)	10	8,516.000	43.94	—	—
DWS Cash Opportunities Fund - Institutional Plan Weekly Dividend	10	3,200,620.115	322.63	—	—
HDFC Cash Management Fund - Treasury Advantage Plan -Wholesale - Weekly Dividend	10	3,059,520.952	306.62	2,307,612.200	231.18
HSBC Fixed Term Series 52 Institutional Dividend - Tenure 1yr - Maturity: 07-May-09	10	—	—	2,698,669.974	269.87
HSBC Ultra Short Term Bond Fund - Inst - Weekly Dividend	10	—	—	1,809,152.839	181.70
ICICI Prudential 14 months FMP Series 51 Plan D - Dividend	10	2,000,000.000	200.00	—	—
ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	100	152,497.496	160.82	—	—

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Face Value Rs.	March 31, 2010		March 31, 2009	
		Number	Rs. in Lakhs	Number	Rs. in Lakhs
SCHEDULE 5 - INVESTMENTS (fully paid-up) : (contd.)					
ICICI Prudential Flexible Income Plan Premium - Weekly Dividend	10	-	-	2,621,914.351	276.39
JM High Liquidity Fund - Institutional Plan - Dividend	10	-	-	675,576.437	70.01
JM Money Manager Fund -Super Plus Plan - Weekly Dividend	10	-	-	801,053.195	82.06
Kotak FMP 12 M Series 3 Institutional - Dividend	10	-	-	3,094,703.707	309.48
Kotak Liquid (Institutional) - Weekly Dividend	10	-	-	1,329,997.569	133.33
Kotak Floater Long Term - Weekly Dividend	10	1,864,434.099	187.89	-	-
Kotak FMP 13 M Series 6 - Dividend	10	1,910,000.000	191.00	-	-
Kotak Gold EFT (quoted)	10	888.000	14.28	-	-
Kotak Nifty ETF (quoted)	10	2,861.000	14.72	-	-
LIC MF Interval Fund - Series I - Annual Dividend Plan	10	-	-	2,000,000.000	200.00
LIC Floating Rate Fund Short term Plan - Dividend	10	2,984,314.814	302.92	-	-
LIC Savings Plus Fund - Weekly Dividend	10	3,063,572.774	306.47	-	-
Templeton India Short Term Income Plan - Dividend	1,000	9,604.549	105.42	-	-
UTI Treasury Advantage Fund - Institutional weekly Dividend	1,000	20,506.417	205.25	-	-
			2,399.60		1,754.02
			2,693.21		1,756.04
Aggregate amount of quoted investments					
Long term - at cost - [i.e. market value Rs. 2.69 Lakh (2009 - Rs. 0.50 Lakh)]			0.01		0.01
Current - at lower of cost and fair value [i.e. market value Rs.111.78 Lakh (2009 - Rs. Nil)]			110.58		-
			110.59		0.01
Aggregate amount of unquoted investments					
Long term - at cost less provision for diminution in the value of investments			293.60		2.01
Current - at lower of cost and fair value (i.e. net asset value)			2,289.02		1,754.02
			2,582.62		1,756.03
			2,693.21		1,756.04
Investments purchased and sold/redeemed during the year other than those disclosed above:					
Gold Benchmark Exchange Traded Scheme - Gold BEES (quoted)	10	324.000	5.36		
DWS Cash Opportunities Fund - Regular Plan Weekly Dividend	10	2,682,619.043	271.10	-	-

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Face Value Rs.	March 31, 2010 Number	Rs. in Lakhs	March 31, 2009 Number	Rs. in Lakhs
SCHEDULE 5 - INVESTMENTS (fully paid-up) : (contd.)					
DWS Short Maturity Fund					
- Institutional Weekly Dividend Plan	10	1,483,247.784	155.34	-	-
HDFC Cash Management Fund					
- Treasury Advantage Plan -Wholesale -Weekly Dividend	10	-	-	2,392,836.50	239.72
HDFC Short Term Plan - Dividend, Option: Reinvest	10	2,475,422.369	255.70	-	-
HSBC Fixed Term Series 23 Institutional Dividend	10	-	-	8,680.92	0.87
HSBC Fixed Term Series 52 Institutional Dividend					
- Tenure 1yr - Maturity: 07- May-09	10	66,798.920	6.68	-	-
HSBC Ultra Short Term Bond Fund - Inst - Weekly Dividend	10	29,955.101	3.01	-	-
ICICI Prudential Flexible Income Plan Premium					
- Weekly Dividend	10	46,234.411	4.87	-	-
ICICI Prudential Floating Rate Plan B - Dividend					
- Reinvest Dividend	10	-	-	16,073.80	1.62
ICICI Prudential Institutional Short Term Plan					
- Dividend Reinvest	10	2,129,250.468	259.01	-	-
ICICI Prudential Interval Fund II - Quarterly Interval Plan C					
- Retail Dividend - Reinvest Dividend	10	-	-	138,389.48	13.84
ICICI Prudential Quarterly Interval Fund II Quarterly					
Interval Plan F - Retail Dividend - Pay Dividend	10	-	-	2,500,000.00	250.00
JM Arbitrage Advantage Fund - Dividend Plan	10	-	-	54,062.26	5.51
JM High Liquidity Fund - Institutional Plan - Dividend	10	344,908.993	35.89	723,458.72	74.97
JM Money Manager Fund -Super Plus Plan					
- Weekly Dividend	10	3,098,434.103	318.49	-	-
Kotak Floater Long Term - Weekly Dividend	10	1,637,164.630	165.00	-	-
Kotak FMP 12 M Series 3 Institutional - Dividend	10	144,308.646	14.43	-	-
Kotak Liquid (Institutional) - Weekly Dividend	10	617,284.901	61.91	-	-
Kotak Quarterly Interval Plan Series I - Dividend	10	-	-	70,131.67	7.02
LIC MF Interval Fund - Series I - Annual Dividend Plan	10	161,454.426	16.15	-	-
Prudential ICICI FMP Series 46- Six months Plan A					
- Institutional Dividend	10	-	-	1,000,000.00	100.00
Reliance Liquid Fund - Cash Plan					
- Daily Dividend Option	10	1,274,489.405	164.29	-	-
Tata Floater Fund - Daily Dividend	10	-	-	2,501,777.49	251.07
Templeton India Ultra Short Bond Fund Retail Plan					
-Daily Dividend Reinvestment	10	-	-	3,002,325.79	300.77
Templeton Quarterly Interval Plan - Plan B - Institutional					
- Dividend Reinvestment	10	-	-	1,883,316.48	188.64
UTI Treasury Advantage Fund - Institutional weekly Dividend	1,000	19,977.803	199.98	-	-

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 6 - INVENTORIES:		
Raw and packing materials	* 311.14	288.17
Stores and spares	40.36	41.83
Intermediate raw materials	19.82	107.92
Work-in-process	** 212.35	117.49
Finished goods	*** 148.01	239.31
	**** 731.68	794.72
* includes share in joint venture Rs.2.56 Lakhs (2009 - Rs.1.93 Lakhs)		
** includes share in joint venture Rs.10.36 Lakhs (2009 - Rs.18.46 Lakhs)		
*** includes share in joint venture Rs.4.12 Lakhs (2009 - Rs.11.63 Lakhs)		
**** includes share in joint venture Rs.17.05 Lakhs (2009 - Rs.32.02 Lakhs)		
SCHEDULE 7 - SUNDRY DEBTORS (unsecured):		
Debts outstanding for a period exceeding six months:		
Considered good	19.85	45.70
Considered doubtful	158.30	211.09
	178.15	256.79
Other debts:		
Considered good	* 1,175.31	1,346.96
	1,353.46	1,603.75
Less: Provision for doubtful debts	158.30	211.09
	* 1,195.16	1,392.66
* includes share in joint venture Rs.1.42 Lakhs (2009 - Rs.0.06 Lakhs)		
SCHEDULE 8 - CASH AND BANK BALANCES:		
Cash on hand	* 3.36	2.93
With scheduled banks on:		
Current account	358.37	420.10
Margin account (under lien)	2.03	1.88
Dividend account	13.42	10.83
Term deposit	825.00	824.69
With non-scheduled bank		
on Current account	** 58.31	64.83
(Maximum balance outstanding during the year Rs.83.69 Lakhs (2009 - Rs. 83.76 Lakhs)		
	*** 1,260.49	1,325.26
* includes share in joint venture Rs.0.15 Lakh (2009 - Rs.0.16 Lakh)		
** includes share in joint venture Rs.12.11 Lakhs (2009 - Rs.18.94 Lakhs)		
*** includes share in joint venture Rs.12.26 Lakhs (2009 - Rs.19.10 Lakhs)		

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010	March 31, 2009
	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 9 - OTHER CURRENT ASSETS, LOANS AND ADVANCES		
(unsecured, considered good unless otherwise stated):		
Other current assets		
Interest accrued (includes Rs.1.06 Lakhs (2009- Rs. Nil) from Government Bonds)	79.22	57.12
Reimbursements receivable	—	14.56
	79.22	71.68
Loans and advances		
Intercompany deposit	300.00	—
Advances recoverable in cash or in kind or for value to be received		
Considered good	* 385.44	581.63
Considered doubtful	24.09	19.01
Deposit with a Body Corporate - considered doubtful	267.83	267.83
Amount lying under Portfolio Management Services	187.17	—
Security deposits	18.90	30.04
Forward contract	—	8.56
MAT credit entitlement	1.80	54.50
Advance tax, net of provisions	318.13	403.66
Balance with excise authorities	82.13	0.06
	1,585.49	1,365.29
Less: Provision for doubtful advances	291.92	286.84
	* 1,293.57	1,078.45

* includes share in joint venture Rs. 0.08 Lakhs (2009 - Rs. 0.52 Lakh)

SCHEDULE 10 - CURRENT LIABILITIES:

Sundry creditors (refer note below) **	355.99	398.87
Security deposits	564.23	434.57
Advance from customers	51.16	89.18
Forward contract liability	-	211.52
Unclaimed dividends	13.42	10.83
Unpaid matured fixed deposits	-	0.03
Interest accrued on fixed deposits	-	0.01
Others	212.22	289.17
	* 1,197.02	1,434.18

* includes share in joint venture Rs. 0.20 Lakhs (2009 - Rs.0.20 Lakhs)

** Note : The Group has dues payable to Micro and Small enterprises as per MSMED Act, 2006 as at the year end amounting to Rs.1.08 Lakhs (2009 - Rs.0.53 Lakh). Identification of these enterprises is based on the management's knowledge of their status. No interest has been paid or is payable as at the year end to any Micro and Small enterprises as per the provisions of the Act.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 11 - PROVISIONS:		
Fringe Benefit Tax, net of advances	–	2.06
Gratuity	44.95	67.75
Long term compensated absences	120.07	155.32
Interim dividend	171.99	171.99
Proposed dividend	171.99	171.99
Dividend Distribution Tax	58.46	58.46
	567.46	627.57

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 12 - SALES AND OTHER OPERATING INCOME:		
Gross sales		
- Exports	* 3,492.76	2,312.71
- Domestic	1,402.12	1,327.19
	4,894.88	3,639.90
Less: Excise duty recovered	89.96	125.99
	4,804.92	3,513.91
Profit sharing on joint marketing of products	23.05	23.87
Royalty on sale of products	–	1.24
Service income	86.64	
Income from research and development	802.96	2,132.63
Profit on sale of equity shares - long term (refer Schedule 18, Note 4(a))	–	70.60
Profit on sale/redemption of current investments - other than trade	1.83	31.70
Less: Loss on sale / redemption of current investments - other than trade	4.00	0.35
Less: Diminution in the value of current investments - other than trade	1.77	0.64
	(3.94)	101.31
Income from investments:		
Current - other than trade	111.28	126.75
Interest on:		
Inter-corporate deposits	28.39	–
Bank deposits	** 66.87	89.58
Other loans, advances and deposits	3.29	12.48
Rent	870.78	697.39
	*** 6,794.24	6,699.16

* includes share in joint venture Rs.3.34 Lakhs (2009 - Rs.3.12 Lakhs)

** includes share in joint venture Rs.0.08 Lakh (2009 - Rs.0.35 Lakh)

*** includes share in joint venture Rs.3.42 Lakhs (2009 - Rs.3.47 Lakhs)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010 Rs. in Lakhs	March 31, 2009 Rs. in Lakhs
SCHEDULE 13 - OTHER INCOME:		
Interest on income-tax refunds	91.87	12.21
Profit on sale of fixed assets	0.44	—
Exchange gain (net)	—	24.20
Excess provision written back	31.50	—
Miscellaneous income	* 9.93	25.00
	** 133.74	61.41

*includes share in joint venture Rs.0.01 Lakh (2009 - Rs.0.01 Lakh)

**Includes share in joint venture Rs. 0.01 Lakh (2009 - Rs. 0.01 Lakh)

SCHEDULE 14 - MATERIAL COST

Inventories, beginning of the year		
Raw and packing materials	286.24	167.36
Intermediate raw materials	107.92	25.32
	394.16	192.68
Add: Purchases:		
Raw and packing materials	* 1,431.84	1,528.78
	1,826.00	1,721.46
Inventories, end of the year		
Raw and packing materials	308.58	286.24
Intermediate raw materials	19.82	107.92
	328.40	394.16
	* 1,497.60	1,327.30

* includes share in joint venture Rs.20.77 Lakhs (2009 - Rs.10.16 Lakhs)

SCHEDULE 15 - (INCREASE)/DECREASE IN INVENTORIES:

Stock-in-trade at the commencement of the year:

Work-in-process	99.03	211.10
Finished goods	227.68	298.12
	326.71	509.22

Less: Stock-in-trade at the end of the year:

Work-in-process	201.99	99.03
Finished goods	143.89	227.68
	345.88	326.71
	(19.17)	182.51

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010	March 31, 2009
	Rs. in Lakhs	Rs. in Lakhs
SCHEDULE 16 - PERSONNEL EXPENSES:		
Salaries, wages and bonus	1,229.73	1,511.37
Contribution to provident and other funds	87.97	100.30
Gratuity expenses (refer Schedule 18, Note 9)	15.75	60.99
Employee welfare expenses	75.12	81.72
	*	
	1,408.57	1,754.38

* includes share in joint venture Rs. 3.04 Lakhs (2009 - Rs. 2.05 Lakhs)

SCHEDULE 17 - OPERATING AND OTHER EXPENSES:

Consumption of stores and spares	130.28	200.42
Processing charges	199.62	257.20
Power and fuel	317.00	280.87
Rates and taxes	49.80	39.14
Excise duty expenses	3.33	(18.84)
Rent	15.40	14.45
Insurance	43.02	46.64
Repairs and maintenance		
Plant and machinery	36.96	55.59
Buildings	40.56	82.26
Others	166.32	102.49
Commission and discount on sales	14.52	10.73
Bank charges	* 19.31	22.42
Advertising and sales promotion expenses	11.58	13.09
Packing, freight and distribution expenses	122.65	97.71
Business promotion expenses	21.17	9.57
Royalty	12.74	–
Travelling and Conveyance	183.26	281.26
Legal and professional charges	541.28	412.41
Technical knowhow fees	5.30	26.87
Communication costs	41.82	49.86
Exchange loss (net)	107.96	–
Cost of contract clinical research services	39.59	122.72
Donation	0.74	3.84
Brokerage	–	4.48
Directors' sitting fees	6.01	7.17
Loss on sale of fixed assets	1.55	5.56
Loss on deletion from assets	–	0.36
Provision for doubtful debts	22.54	–
Doubtful advances written off	3.54	–
Provision for doubtful advances	5.08	19.01
Miscellaneous expenses	** 185.62	182.44
	*** 2,348.55	2,329.72

* includes share in joint venture Rs.0.39 Lakh (2009 - Rs.Nil)

** includes share in joint venture Rs.0.35 Lakh (2009 - Rs.11.49 Lakhs)

*** includes share in joint venture Rs.0.74 Lakh (2009 - Rs.11.49 Lakhs)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS:

1 (a) Background

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') collectively referred to as 'the Group', is in the business of manufacturing and selling of chemicals primarily bulk drugs and enzymes, renting property, entertainment and utilisation of surplus funds for its treasury operations. The Company's Joint Venture, Vasko Glider s.r.o. Czechoslovakia is in the business of development and manufacture of wheelchairs.

The Company holds 76,77,500 shares (95.97%) of FBL. The Company also has been holding 30,000 equity shares in APL, 3,41,25,000 equity shares in EIPL at the beginning of the year. The Company has executed a Share Purchase and a Shareholder's Agreement (Agreements) on August 31, 2009 with Evotec AG and transferred 2,54,94,000 equity shares of Rs. 2/- each. i.e. 70% of the paid up equity share capital of EIPL for a consideration of Rs. 1,117.71 Lakhs, as a result of which w.e.f. September 1, 2009 EIPL and ERL are no longer subsidiaries of the Company. Accordingly the Company's interest in EIPL and ERL has been accounted as "Interest in Associate Company" in the consolidated financial statements. In accordance with notified Accounting Standard (AS) 27 "Financial reporting of interest in joint venture" the operations of majority owned joint venture are fully consolidated.

These consolidated financial statements have been prepared to meet the requirements of clause 32 of the Listing Agreement with the Stock Exchange.

- (b) The proportionate share in the assets, liabilities, income and expenditure of Vasko Glider a Joint Venture of the Company, 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 is as follows:-

	31-Mar-10	31-Mar-09
	Rs. in Lakhs	Rs. in Lakhs
i) Percentage of holding	50%	50%
ii) Assets	31.63	53.21
iii) Liabilities	0.20	0.82
iv) Income	3.43	3.48
v) Expenditure	25.22	24.61
vi) Capital Commitment	—	—
vii) Contingent liabilities	—	—

The above figures are accepted as provided by joint venture and it is not practicable to make adjustment to the financial statement of the joint venture to align with Indian Generally Accepted Accounting Principles, as the information for making such adjustment is not available with the Company.

- (c) The Financial statements of the associates and joint venture used in the consolidation are drawn upto the same reporting date as of the Company. These financial statements have been consolidated on the basis of accounts certified by the Management.

2 (a) Basis of preparation

The financial statements of the group have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, except for the financial statement of joint venture as on March 31, 2010 which are prepared as per Local Laws, as amended and issued by the Ministry of Finance of the Czech Republic, governing financial statement for business. The financial statements have been prepared under the historical cost convention on an accrual basis except in case for which provision of impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policies discussed below in notes 2 (d) (ii) are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) 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, 2010. The following subsidiaries, associates and joint venture have been considered:

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

Name of the subsidiaries	Country of incorporation	2009-10 % shareholding	2008-09 % shareholding
Fermenta Biotech Limited	India	95.97%	95.97%
Fermenta Biotech (UK) Limited (100% subsidiary of FBL)	United Kingdom	95.97%	95.97%
G.I. Biotech Private Limited (62.50% subsidiary of FBL)	India	59.98%	59.98%
Aegean Properties Limited	India	100.00%	100.00%
Evotec (India) Private Limited (upto August 31, 2009)	India	100.00%	100.00%
Evotec-RSIL Limited (Subsidiary of EIPL) (upto August 31, 2009)	India	51.00%	51.00%
Name of the associates			
Evotec (India) Private Limited (w.e.f. September 1, 2009)	India	30.00%	-
Evotec-RSIL Limited (Subsidiary of EIPL) (w.e.f. September 1, 2009)	India	30.00%	-
Name of the joint venture			
Vasko Glider s.r.o.	Czech Republic	50.00%	50.00%

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

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

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

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

(d) The significant accounting policies are as follows:

(i) Fixed assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises cost of acquisition or construction including any attributable cost of bringing the asset to its working condition for its intended use, net of cenvat credit. Borrowing costs relating to acquisition of fixed asset which takes substantial period of time

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

The assets held for disposal are stated at lower of net book value and the estimated net realisable value.

(ii) Change in Accounting Policies:

In the previous year, the Company along with its subsidiaries namely EIPL, ERL & APL changed (with retrospective effect) its method of providing depreciation on fixed assets from Written Down Method (WDV) to the Straight Line Method (SLM) at the rates prescribed in Schedule XIV to the Companies Act, 1956 or estimated useful life, whichever is higher. The management believes that such change will result in a more appropriate presentation of these assets and will give systematic basis of depreciation charge more representative of the time in which the economic benefits will be derived from the use of these assets.

Had the group Companies continued to use the earlier basis of providing depreciation, the charge to the Profit & Loss Account for the previous year would have been higher by Rs.128.01 Lakhs and correspondingly net block of fixed assets would have been lower by Rs.128.01 Lakhs. The Net Surplus of Rs.364.83 Lakhs and impairment of Rs.5.94 Lakhs arising out of retrospective recomputation has been recognised in the previous year's profit and loss account.

(iii) Depreciation and Impairment:

a) Depreciation

Depreciation is provided on the original cost, pro-rata to period of use on the straight line method as against written down value method used in previous years, at the rates specified in Schedule XIV to the Companies Act, 1956, or estimated useful life, whichever is higher.

Estimated useful life (in years)

Building	
On freehold land	30-61
Leased improvements	9-30
Plant & Machinery	5-21
Computers	5-6
Furniture & Fixtures	5-6
Vehicles	8-11

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

b) Intangible Assets

Costs relating to patents and licenses, which are acquired, are capitalized and amortized on a straight-line basis over their useful lives.

Film Rights	5
Computer Software	5-6
Development cost	3

c) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

(iv) Goodwill

The excess of cost to the Company of its investment in subsidiaries and joint venture over the Company's portion of equity in the subsidiaries and joint venture at the respective dates on which investments in subsidiaries and joint venture were made, is recognised in the consolidated financial statements as goodwill. The Company's portion of equity in the subsidiaries and joint venture is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries and joint venture as on the date of investment.

Goodwill on consolidation is recorded at cost and is evaluated for impairment at each period end or whenever events or changes in circumstances indicate that its carrying amount may be impaired.

(v) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 recognise a decline other than temporary in the value of the investments.

(vi) Inventories

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

Cost is determined as follows:

- a) Stores and spare parts and laboratory chemicals: First-in-first-out method
- b) Raw materials and packing materials: Weighted average method. 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 above cost.
- 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.

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.

Inventory of under production film is valued at actual cost incurred or net realisable value, whichever is lower. The cost of production is charged to revenue at the time of first release of the film.

(vii) Employee benefits

- i. Retirement benefits in the form of provident fund and superannuation funds are defined contribution schemes and the Group has no further obligation beyond the contributions made to the respective funds. Contributions are charged to profit and loss account in the period in which they accrue.
- ii. Employees are entitled to benefits under the Payment of Gratuity Act 1972, a defined benefit plan. The plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment. The gratuity liability and net periodic gratuity cost is actuarially determined at the year end based on the projected unit credit method after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains/losses are immediately recorded to the profit and loss account and are not deferred. The Company makes contributions to a fund administered and managed by Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC administers the scheme.
- iii. Liability for long term compensated absences are provided for based on actuarial valuation done as per projected unit credit method at the year end.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: *(contd.)*

(viii) Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arisen during the year.

Revenue arising out of profit sharing of joint marketing is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Income from research and development activities is recognised on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates. Income from projects whose outcome is dependent on successful completion of research (discovery based projects) is recognised on approval from customers. Income from custom synthesis is recognised on dispatch to customer.

Interest income on loans and deposits is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. Income from investments is accrued when the right to receive payment is established.

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

Revenue from licensing of motion film / advertising projects (event management) is recognised in accordance with the licensing agreement or physical delivery of the motion film / advertising projects (event management), whichever is later.

Income from services is recognised on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates.

Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

(ix) Foreign currency transactions

Initial Recognition

Transactions in foreign currencies are recorded in the reporting currency at the exchange rate prevailing between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined .

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as a part of fixed asset.

Forward Exchange Contracts not intended for trading or speculation purposes

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

Translation of Integral and Non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the group itself.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(x) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease.

As lessee:

Operating lease payments are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

As lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the profit and loss account on a straight-line basis over the lease term. Costs including depreciation and other initial direct costs like brokerage etc are recognised as an expense in the profit and loss account.

(xi) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised. In situations where the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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 realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The group writes-down the carrying amount of a 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 realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. In the year in which Minimum alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account 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 Income Tax during the specified period.

(xii) Provisions, contingent liabilities and contingent assets

A provision is recognised when the group 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. Contingent assets are not recognized in the books of account of the group. Contingent liabilities are disclosed by way of notes to accounts.

(xiii) Earnings per share

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

(xiv) Research and development costs

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

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

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

During the current year the Company's subsidiary FBL has charged Rs.236.71 Lakhs (2009 - Rs.183.60 Lakhs) to profit and loss account on account of expenses on research and development. Capital Expenditure in the current year on Research and Development amounts to Rs.32.83 Lakhs (2009 - Rs.43.36 Lakhs)

(xv) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposit (having maturity of less than 3 months), cheques in hand and cash in hand.

(xvi) Segment Reporting

Identification of segments :

The Group'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.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

Segment Policies :

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

Inter segment sales/transfers:

The Group generally accounts for inter segment sales/transfers as if the sales or transfers are at current market price.

3 Contingent liabilities and commitment:

(a) Relating to parent company:-

- i) Estimated amount of contracts remaining to be executed on capital account Rs.16.29 Lakhs (2009 - Rs.18.24 Lakhs)
- ii) Tax matters, including amount not provided in the current year and also in respect of earlier years for which appeals are pending before appropriate authorities Rs. 89.10 Lakhs (2009 - Rs.15.33 Lakhs)

(b) Relating to subsidiary companies.

Fermenta Biotech Limited:-

- i) Estimated amount of contracts remaining to be executed on capital account Rs.46.26 Lakhs (2009 - Rs.62.09 Lakhs)
- ii) Excise demand in respect of earlier years not provided for, for which appeal is pending with the appropriate authorities - Rs 1.50 Lakhs (2009- Rs.1.50 Lakhs)

- 4 a) During the previous year the Company's subsidiary FBL has entered into an agreement for transfer of the throat lozenge business along with the trademark "Astrasept" and the related moveable assets for a consideration of Rs.8 Lakhs, to its wholly owned subsidiary G.I.Biotech Private Limited (GI BIO),. Simultaneously company has also entered into a share transfer agreement with Ronator Investments Limited (RI) a company incorporated under the legal provisions of Cyprus, to transfer its entire shareholding in GI BIO in four instalments to be completed by 10th February 2009 for a total consideration of USD 400,000. In accordance with the share transfer agreement, during the previous year the Company sold 3750 shares for consideration of USD 150,000 and recorded a profit of Rs.70.60 Lakhs. The time limit stipulated for completion of the share transfer agreement and completion of transaction has been extended further to 31st December, 2010.
- (b) 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.
- (c) As stated above in note 1 (a) the Company has transferred 70% of the paid up equity share capital of Evotec (India) Pvt. Ltd. (EIPL) (formerly known as Research Support International Private Limited (RSIPL)) to Evotec AG for a consideration of Rs.1,117.71 Lakhs.

In addition, the Company is also entitled to receive an earn out based on achievement of "Earn Out Revenue" during the twelve months period ending on 31st August, 2010 as per the terms stipulated in the aforesaid agreement. Considering the uncertainty of achievement of Milestone based on the present trend in EIPL operations which is dependent on European market, the earn out amount is not ascertainable as on 31st March, 2010 and hence not recognized.

As stated in Note 1(a) above, in view of divestment of 70% stake by the Company in equity share capital of Evotec (India) Private Ltd. (EIPL) (formerly known as Research Support International Pvt. Ltd.), EIPL has ceased to be the subsidiary w.e.f September 1, 2009.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

Accordingly the operations of EIPL have been treated as "Discontinued Operations" as per AS 24 - "Discontinuing operations" issued by The Institute of Chartered Accountants of India. The assets liabilities as on March 31, 2010, revenue and expenses for the period April 1, 2009 to August 31, 2009 recorded in the consolidated financial statement under the segment " Research and Development" relating to discontinued operations are as follows

	2009-10 Rs. in Lakhs	2008-09 Rs. in Lakhs
i) Profit & Loss account		
Sales and other operating income	838.25	2,093.48
Other Income	0.68	8.16
Operating Expenses	585.79	1,613.37
Interest	21.97	42.46
Depreciation	92.87	186.34
Profit before tax	138.30	259.47
Depreciation written back (refer Schedule 18, Note 2(d)(ii))	-	162.60
Profit before tax	138.30	422.07
Tax expenses	0.30	74.94
Profit after tax	138.00	347.13
ii) Carrying value of assets and liabilities		
Total assets	-	2,372.12
Total liabilities	-	724.44
iii) Net value realised on sale of 70% holding in EIPL		
Total consideration received	1,117.71	
Less: adjusted cost of 70% holding	621.92	
Profit on sale of 70% share holding of subsidiary	495.79	
iv) Cash flow in respect of ordinary activity attributable to discontinuing operation.		
Operating activity	(0.92)	147.46
Investing activity	(48.91)	(633.05)
Financing activity	(11.67)	281.73

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

5 Segment information

A. Primary Segments - Business Segments

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

The Company has strategic investments in subsidiaries, joint venture and associates earns interest and rentals from its assets. The Group is organised into four business segments - Chemicals, Treasury & others, Entertainment and Research & Development. Segments have been identified and reported based on the nature of the products, the risk and returns, the organisation structure and the internal financial reporting systems.

	Rs. in Lakhs				
	2009-2010				
	Continuing Operations		Discontinuing Operations		Total
	Chemicals	Treasury & Others	Entertainment	* Research & Development	
a. Segment Revenue					
1. Segment revenue -					
Sales / income from operations	4,827.59	2,108.24	—	872.22	7,808.05
	3,624.48	1,235.23	1.24	2,151.47	7,012.42
Less : Inter-segment revenue	—	451.58	—	33.97	485.55
	5.48	292.95	—	57.99	356.42
Unallocable Income					101.27
					104.57
2. Total	4,827.59	1,656.66	—	838.25	7,423.77
	3,619.00	942.28	1.24	2,093.48	6,760.57
b. Segment Result					
1. Segment result / operating profit / (loss)	583.08	993.18	(61.40)	(26.78)	1,488.08
	244.52	258.81	(60.23)	4.31	447.41
Add/(Less) : Inter-segment results					62.21
					18.33
2 Interest expense					142.37
					302.17
3 Unallocable income					101.27
					104.57
4 Depreciation written back					—
					364.83
5 Profit before tax					1,509.19
					632.97

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

5 Segment information: (contd.)

A. Primary Segments - Business Segments (contd.)

					Rs. in Lakhs	
2009-2010						
Continuing Operations		Discontinuing Operations				
Chemicals	Treasury & Others	Entertain-ment	* Research & Development		Total	
6	Provision for tax - current tax				338.24	
					70.27	
	- deferred tax				(12.05)	
					88.07	
	- fringe benefit tax				-	
					21.33	
	Provision for tax in respect of earlier years written back				(0.32)	
					(0.77)	
7	Profit after tax				1,182.68	
					452.53	
c. Other information					-	
1.	Segment assets	5,249.46	5,857.94	37.16	-	11,144.56
		4,480.90	4,355.49	27.93	2,372.12	11,236.44
2	Unallocable assets					769.16
						872.09
3.	Total assets					11,913.72
						12,108.53
4.	Segment liabilities	1,977.02	732.83	9.61	-	2,719.46
		2,051.21	679.16	17.93	699.06	3,447.36
5.	Unallocable liabilities					415.86
						415.33
6.	Total liabilities					3,135.32
						3,862.69
7.	Cost incurred during the year to acquire segment fixed assets	950.52	128.20	-	49.32	1,128.04
		536.09	150.66	1.34	474.80	1,162.89
8.	Depreciation	232.57	109.38	8.11	92.87	442.93
		170.88	108.18	3.95	186.34	469.35
9.	Impairment loss recognised/(reversed)	-	-	-	-	-
		-	5.94	-	-	5.94

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

5 Segment information: (contd.)

A. Primary Segments - Business Segments (contd.)

		Rs. in Lakhs			
		2009-2010			
		Continuing Operations		Discontinuing Operations	
		Chemicals	Treasury & Others	Entertainment	* Research & Development
10	Non-cash expenses other than depreciation / amortisation				
	– Provision for diminution in value of investments / doubtful advances	5.08	5.31	–	–
		–	19.65	–	–
	– Impairment of Goodwill	–	–	–	–
		–	121.00	–	–

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

* refer Schedule 18, Note 1(a)

B. 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:

	2009-10	2008-09
	Rs. in Lakhs	Rs. in Lakhs
India	3,059.56	2,258.22
Europe	3,513.04	4,129.77
Other countries	749.90	268.01
	<u>7,322.50</u>	<u>6,656.00</u>

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

	Carrying amount of segment assets		Additions to fixed assets	
	2009-10	2008-09	2009-10	2008-09
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
India	10,822.08	11,153.19	1,112.29	1,161.95
Outside India	1,091.64	955.34	15.75	0.94
	<u>11,913.72</u>	<u>12,108.53</u>	<u>1,128.04</u>	<u>1,162.89</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.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

5 Segment information: (contd.)

C. Segment accounting policies

Segment revenue and result

Current year's segment revenues and results are arrived at based on allocation of the revenues and expenditures to the respective primary segments.

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets, net of allowances. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

6 Related party disclosures

a. Parties where control exists

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

Holding company

DVK Investments Private Ltd.

b. Related Party relationships where transactions have taken place during the year

Fellow Subsidiary

VM Café de Art Private Ltd.

Key Management Personnel

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

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

1. Lacto Cosmetics (Vapi) Pvt. Ltd.
2. Dupen Laboratories Private Ltd.

Associates

1. Evotec (India) Pvt. Ltd. (formerly known as Research Support International Private Ltd.) (w.e.f. September 1, 2009)
2. Evotec RSIL Ltd. (subsidiary of Evotec (India) Pvt. Ltd.) (w.e.f. September 1, 2009)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

6 Related party disclosures (contd.)

c. Transactions with related parties.						(Rs. in Lakhs)
Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprises owned of significantly influenced by key management personnel or their relatives	Associate	
1 Loans and advances given						
- Evotec (India) Pvt. Ltd						350.00 (-)
2 Loans and advances recovered						
- Evotec (India) Pvt. Ltd						350.00 (-)
3 Interest on loan						
- Evotec (India) Pvt. Ltd						5.61 (-)
4 Remuneration						
- Mr. Satish Varma			41.89 (38.23)			
- Mr. Krishna Datla			30.89 (30.84)			
- Ms. Anupama Datla			26.12 (24.81)			
- Mr. Rajendra Gaitonde			21.17 (20.63)			
5 Sales						
- Dupen Laboratories Private Ltd.				0.30 (9.50)		
6 Purchase of raw material						
- Dupen Laboratories Private Ltd.				24.32 (9.36)		
- Lacto Cosmetics (Vapi) Pvt. Ltd.				- (0.08)		
7 Processing Charges paid						
- Lacto Cosmetics (Vapi) Pvt. Ltd.				4.94 (1.35)		
8 Professional charges paid						
- Dupen Laboratories Private Ltd.				12.21 (-)		
9 Other reimbursements paid						
- Evotec (India) Pvt. Ltd						18.57 (-)
10 Other reimbursements received						
- Evotec RSIL Limited						15.61 (-)
- Evotec (India) Pvt. Ltd						45.41 (-)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

6 Related party disclosures (contd.)

c. Transactions with related parties. (contd.) (Rs. in Lakhs)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Enterprises owned of significantly influenced by key management personnel or their relatives	Associate
11 Rent Income					
- DVK Investments Private Ltd.	0.48 (0.48)				
- VM Café de Art Private Ltd.		0.48 (0.48)			
- Evotec (India) Pvt. Ltd					100.11 (-)
- Evotec RSIL Limited					31.97 (-)
12 Service income received					
- Evotec (India) Pvt. Ltd					83.47 (-)
13 Balance outstanding as at the year end					
Sundry Creditors					
- Lacto Cosmetics (Vapi) Pvt. Ltd				1.28 (0.73)	
- Dupen Laboratories Pvt. Ltd			- (4.11)	- (2.53)	
Sundry Debtors					
- Dupen Laboratories Pvt. Ltd				- (10.28)	
- Evotec (India) Pvt. Ltd					35.10 (-)
- Evotec RSIL Limited					16.58 (-)
Key management personnel					
Mr. Rajendra Gaitonde			4.00 (4.11)		

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

7 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, escalation clause and is not renewable.

Lease payments recognised in the statement of profit and loss for the year.

March 31, 2010
Rs. in Lakhs

March 31, 2009
Rs. in Lakhs

15.40

14.45

Operating lease given

The Company has entered into operating lease agreement for its properties in Thane and Worli, Mumbai with original lease periods expiring between 2009 and 2014. These agreements are cancellable/noncancellable and have rent escalation provisions.

- 1 Rent income recognised in the statement of profit and loss for the year
- 2 Future minimum lease payment under the noncancellable leases in the aggregate and for each of the following periods:
 - i) Not later than one year
 - ii) Later than one year and not later than five years
 - iii) More than five years

870.78

697.39

82.45

82.45

41.23

82.45

41.23

8 Consolidated Deferred Taxes

Nature of timing difference

a) Deferred tax assets

Demerger expenses
Expenditure on know-how incurred prior to 01-04-1998 allowable under section 35AB
Provision for doubtful debts/advances
Items covered under section 43B
Carried forward tax losses.
Carried forward business loss
Sub-total

Deferred tax asset/(liability)
April 1, 2009
Rs. in Lakhs

(Charge)/credit for the current year
Rs. in Lakhs

Deferred tax asset/(liability)
March 31, 2010
Rs. in Lakhs

3.74

(2.59)

1.15

1.67

(1.67)

—

110.99

42.04

153.03

15.52

40.83

56.35

33.04

(4.09)

28.95

0.18

(0.18)

—

165.14

74.34

239.48

b) Deferred tax liability

Depreciation/Impairment
Items allowed under Income tax computed on payment/realisation basis
Others

(164.67)

(36.52)

(201.19)

(0.46)

—

(0.46)

0.53

(2.47)

(1.94)

(164.60)

(38.99)

(203.59)

0.54

35.35

35.89

Net amount

Add Release of deferred tax liability on depreciation relating to RSIPL upto 31/08/2009

(refer Schedule 18, Note 1(a))

—

(23.30)

—

0.54

12.05

35.89

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

9 Employee Benefits

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under personnel expenses, provident and other funds on schedule 14 for the year are as under:

	March 31, 2010 Rs.in Lakhs	March 31, 2009 Rs.in Lakhs
- Provident fund	84.82	97.58
- Superannuation Scheme	3.15	2.72

b) Defined Benefit Plan

Gratuity and long term compensated absences - As per actuarial valuation

	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Gratuity (Funded)		Long term compensated absences (Unfunded)	
i) Changes in the present value of the defined benefit obligation				
Opening	120.91	95.27	110.23	100.30
Interest cost	8.96	7.15	8.27	8.15
Current service cost	28.52	51.49	31.57	58.76
Benefits paid	(0.99)	—	(11.66)	(6.59)
Net actuarial gain / (loss)	(15.88)	8.12	(18.34)	(5.30)
Closing	141.52	162.03	120.07	155.32
ii) Changes in fair value of plan assets				
Opening	61.23	32.02	—	—
Expected return on plan assets	6.87	4.23	—	—
Actuarial (gains) / losses on obligation	0.88	1.54	—	—
Employer's contribution	28.58	56.49	—	—
Benefits paid	(0.99)	—	—	—
Closing	96.57	94.28	—	—
iii) Amounts recognised in balance sheet				
Present value of defined benefit obligation	141.52	162.03	120.07	155.32
Fair value of plan asset	96.57	94.28	—	—
Net liability recognised in balance sheet	(44.95)	(67.75)	(120.07)	(155.32)
iv) Amounts recognised in profit and loss account				
Current service cost	28.52	51.49	31.57	58.76
Interest cost	8.96	7.15	8.27	8.15
Expected return on plan assets	(6.87)	(4.23)	—	—
Net actuarial (gain)/loss recognised	(16.76)	6.58	(18.34)	(5.30)
Total expense	13.85	60.99	21.50	61.61
Expense of EIPL upto August 31, 2009	1.90	—	1.90	—
	15.75	60.99	23.40	61.61

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

9 Employee Benefits: (contd.)

	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
		Gratuity (Funded)	Long term compensated absences (Unfunded)	
v) Actual return on plan assets	6.87	4.23	–	–
vi) Principal assumptions used in actuarial valuation				
Discount rate	7.50%	7.50%	7.50%	7.50%
Expected return on plan assets	9.15%	8.75%	N.A.	N.A.
Salary escalation rate	10%	10%	10%	10%
Employee turnover	1%	1%	1%	1%
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, 2010	March 31, 2009	March 31, 2008	
viii) Amounts for the current and previous periods				
Defined benefit obligation	141.52	162.03	74.12	
Plan Assets	96.57	94.28	32.01	
Surplus/(deficit)	(44.95)	(67.75)	(42.10)	
Experience Adjustments on plan liabilities	(16.76)	6.58	(24.79)	
Experience Adjustments on plan assets	1.64	1.54	0.88	
ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.				
b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.				
c) The estimates of rate escalation in salary considered in the actuarial valuation take 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 Rs. 13.74 Lakhs (2009 - Rs. 22.05 Lakhs) to the Gratuity fund during 2010-11. (2009 - Rs. 22.05 Lakhs during 2009-10)				

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

10 Derivative Instruments:

- a) The Company has entered into the following derivative instruments:

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. The following are outstanding Foreign Exchange Forward contracts outstanding as on March 31, 2010.

	Foreign Currency	No. of Contracts	Notional amount of forward covers in foreign currency	Rs. in Lakhs equivalent
March 31, 2010	–	–	–	–
March 31, 2009	Euro	2.00	510,600	351.85

- b) Particulars of un-hedged foreign currency exposure as at March 31, 2010

	March 31, 2010		March 31, 2009	
	Foreign Currency	Rs. in Lakhs	Foreign Currency	Rs. in Lakhs
DIL Limited				
a) Investments	Kc 96.54 Lakhs	188.51	Kc 96.54 Lakhs	188.51
b) In current accounts	Kc 3.81 Lakhs	9.08	Kc 0.85 Lakhs	2.13
	EURO 0.004 Lakhs	0.29	EURO 0.004 Lakhs	0.33
Research Support International Limited				
a) Outstanding debtors	–	–	USD 0.63 Lakh	32.66
	–	–	EURO 1.71 Lakhs	116.91
	–	–	GBP 0.15 Lakh	10.82
b) Outstanding creditors	–	–	USD 0.02 Lakh	1.00
	–	–	EURO 0.15 Lakh	10.26
	–	–	GBP 0.04 Lakh	3.31
c) Advance paid to creditors	–	–	USD 0.01 Lakh	0.35
Fermenta Biotech Limited				
a) In current accounts	USD 0.017 Lakhs	0.77	USD 0.017 Lakhs	0.89
	EURO 0.49 Lakhs	29.93	EURO 0.0078 Lakhs	0.53
b) Investments	GBP 2.20 Lakhs	149.19	GBP 2.20 Lakhs	149.19
c) Outstanding debtors	USD 0.80 Lakhs	35.99	USD 1.55 Lakhs	79.97
	EURO 13.91 Lakhs	842.22	EURO 5.37 Lakhs	367.16
d) Outstanding creditors	EURO 1.87 Lakhs	113.36	USD 0.20 Lakh	10.63
	–	–	EURO 0.75 Lakh	51.47
e) Advance paid to creditors	EURO 0.19 Lakhs	11.72	USD 0.15 Lakh	7.55
	–	–	EURO 0.26 Lakh	17.88
	–	–	ss Francs 0.02 Lakh	0.88
f) Advance receipts from debtors	–	–	USD 0.001 Lakh	0.08

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE 18 - NOTES TO THE ACCOUNTS: (contd.)

10 Derivative Instruments: (contd.)

	March 31, 2010		March 31, 2009	
	Foreign Currency	Rs. in Lakhs	Foreign Currency	Rs. in Lakhs
Evotec - RSIL Limited				
a) Outstanding debtors	–	–	USD 0.56 Lakh	28.99
	–	–	EURO 0.99 Lakh	67.82
	–	–	GBP 0.01 Lakh	0.68
b) Outstanding creditors	–	–	USD 0.01 Lakh	0.58
	–	–	EURO 0.45 Lakh	31.01
c) Advance paid to creditors	–	–	USD 0.05 Lakh	2.79
	–	–	EURO 0.01 Lakh	0.75
	–	–	GBP 0.01 Lakh	1.05

11 Prior year comparatives

Previous year's figures have been regrouped wherever necessary.

As per our report of even date	For and on behalf of the Board of Directors		
For S. R. Batliboi & Associates Firm Registration No. 101049W Chartered Accountants	G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
per SUDHIR SONI Partner	SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
Membership No : 41870	K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary	
Mumbai Date: May 22, 2010	Thane Date: May 22, 2010		

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES (2009-2010)

Rs. in Lakhs

	Name of Subsidiary	Fermenta Biotech Ltd.	Fermenta Biotech (UK) Ltd.	G I Biotech Pvt. Ltd.	Evotec (India) Private Limited (earlier known as Research Support International Pvt. Ltd.	Evotec RSIL Ltd.	Aegean Properties Ltd.
1.	Capital	870.00	183.59	1.00	Nil*	Nil*	30.00
2.	Reserves & Surplus (adjusted for debit balance in Profit and Loss Account, where applicable)	2079.32	(41.61)	1.02	Nil*	Nil*	19.97
3.	Total Assets (Fixed Assets + Current Assets)	5114.47	144.01	7.26	Nil*	Nil*	61.03
4.	Total Liabilities (Debts + Current Liabilities)	2351.76	2.03	5.23	Nil*	Nil*	11.07
5.	Investments	186.61	Nil	Nil	Nil*	Nil*	Nil
6.	Miscellaneous Expenditure	Nil	Nil	Nil*	Nil*	Nil*	Nil
7.	Total Income (including excise duty where applicable)	4831.44	Nil	4.78	645.84*	227.05*	12.00
8.	Total Expenditure	4356.54	(2.26)	0.66	670.14*	250.83*	2.27
9.	Exceptional Item	Nil	Nil	Nil	Nil*	Nil*	Nil
10.	Exchange difference gain / (loss)	Nil	(13.23)	Nil	Nil*	Nil*	Nil
11.	Profit / (Loss) before Tax	474.90	(15.49)	4.12	(24.29)*	(23.77)*	9.72
12.	Provision for tax / (Write back)	56.16	Nil	1.27	0.30*	Nil*	3.00
13.	Profit / (Loss) after tax	418.74	(15.49)	2.85	(24.59)*	(23.77)*	6.72

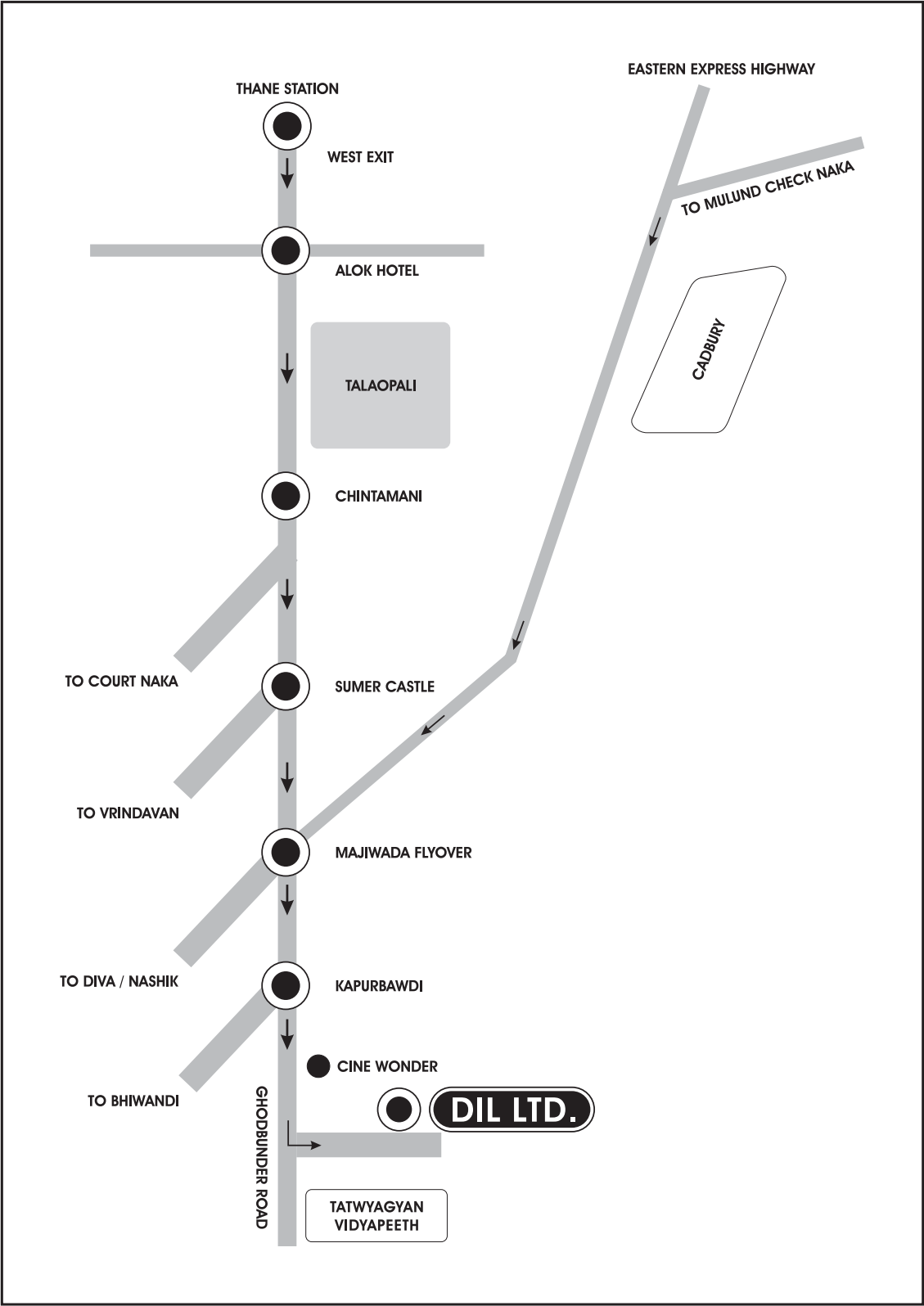
* Financial highlights are upto August 31, 2009.

NOTE : Audited Annual Accounts of the subsidiaries are available for inspection at the registered office of the Company and will be sent to every member on request, free of cost.

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58th AGM Venue's Roadmap





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

Folio No. _____

ATTENDANCE SLIP

No. of Shares _____

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHAREHOLDER / PROXY (IN BLOCK LETTERS)

I hereby record my presence at the Fifty Eighth Annual General Meeting of the Company held at 'dil' Complex, Ghodbunder Road, Majiwada, Thane (West) 400610 on Monday, September 27, 2010 at 3.00 p.m.

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

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

TEAR HERE



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

Folio No. _____

PROXY FORM

No. of Shares _____

I / We
of being a member /
members of the above named Company, hereby appoint
of
or failing him
of
as my / our proxy to vote for me / us and on my / our behalf at the Fifty Eighth Annual General Meeting of the Company to be held on Monday, September 27, 2010 at 3.00 p.m. and at any adjournment thereof.

Signed by the said

Date

Affix
Re. 0.15
Revenue
Stamp

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

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