



63rd ANNUAL REPORT 2014-2015



## **CHAIRMAN EMERITUS**

**Mr. G.G. Desai**

*(Appointed as Chairman Emeritus with effect from February 14, 2015)*

## **BOARD OF DIRECTORS**

**Mr. G.G. Desai**

*Chairman*

*(Retired as Chairman and Independent Director with effect from February 14, 2015)*

**Mr. Sanjay Buch**

*Chairman and Independent Director*

*(Appointed as Chairman with effect from February 14, 2015)*

**Ms. Rajeshwari Datla**

*Non-Executive Director*

**Mr. Vinayak Hajare**

*Independent Director*

**Mr. Satish Varma**

*Non-Executive Director*

**Mr. Krishna Datla**

*Managing Director*

## **COMPANY SECRETARY**

Mr. Srikant N. Sharma

## **CHIEF FINANCIAL OFFICER**

Mr. K. H. Kashid

## **SOLICITORS**

Crawford Bayley & Co.  
Mundkur Law Partners

## **AUDITORS**

SRBC & Co. LLP  
Chartered Accountants

## **INTERNAL AUDITORS**

M M Nissim & Co.  
Chartered Accountants

## **BANKERS**

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

## **CORPORATE IDENTIFICATION NUMBER**

L99999MH1951PLC008485

## **REGISTERED OFFICE**

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

Tel No : +91 22 6798 0800/888

Fax No : +91 22 6798 0899

E-mail : contact@dil.net

## **WEBSITES**

[www.dil.net](http://www.dil.net)

[www.thaneone.com](http://www.thaneone.com)

[www.fermentabiotech.com](http://www.fermentabiotech.com)

[www.whitestripes.biz](http://www.whitestripes.biz)

[www.zelalife.com](http://www.zelalife.com)

## **REGISTRAR AND TRANSFER AGENTS**

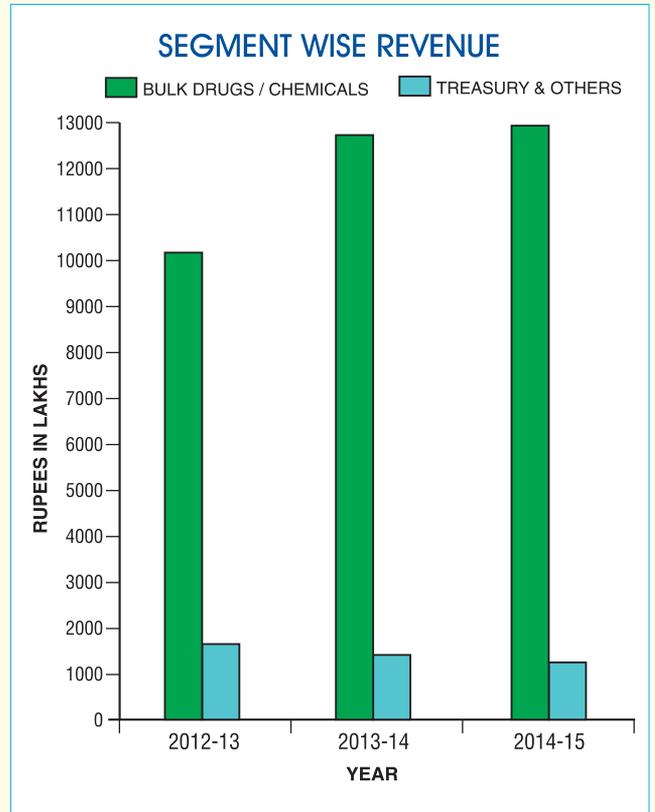
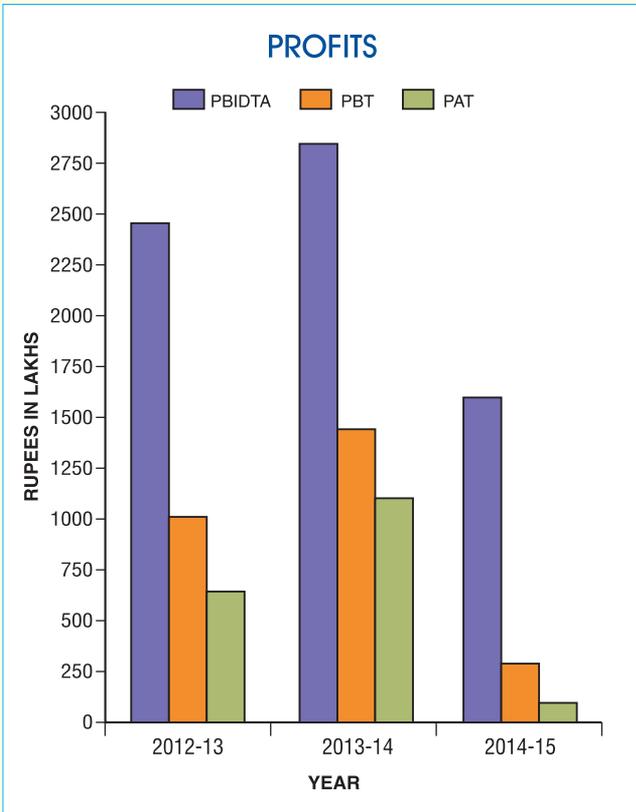
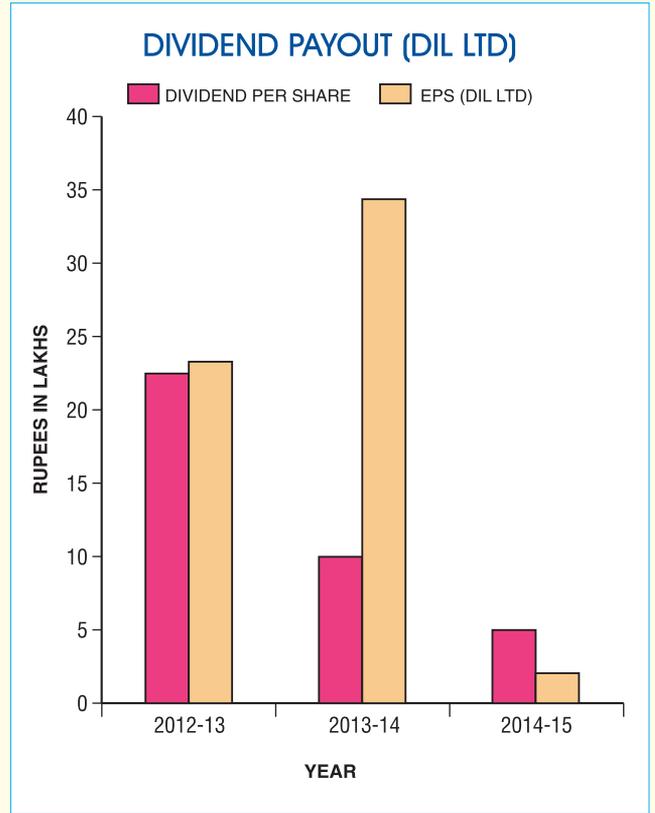
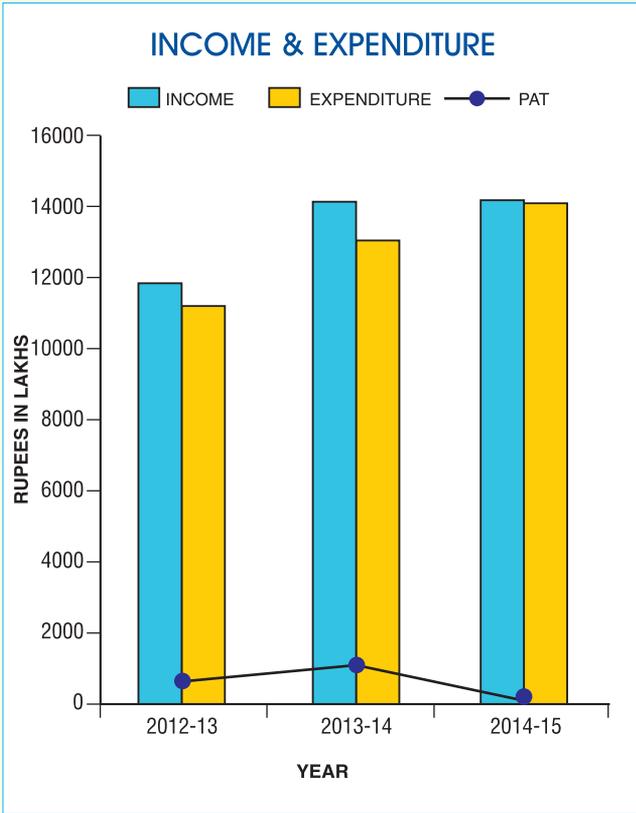
Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai – 400 078, Maharashtra, India.

Tel No : +91 22 2594 6970

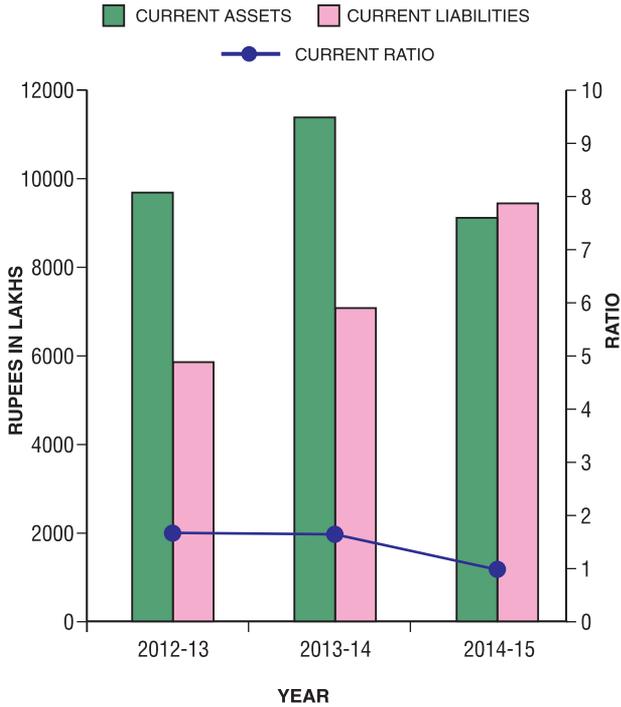
Fax No : +91 22 2594 6969

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

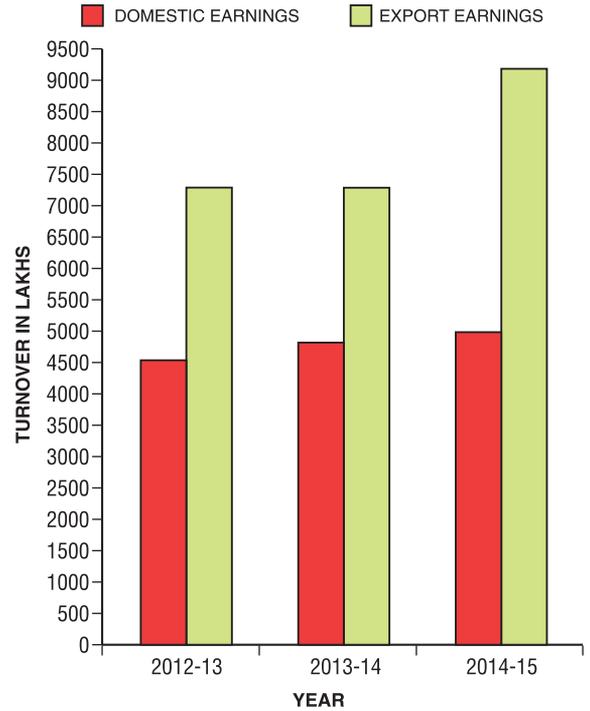
# FINANCIAL HIGHLIGHTS - CONSOLIDATED



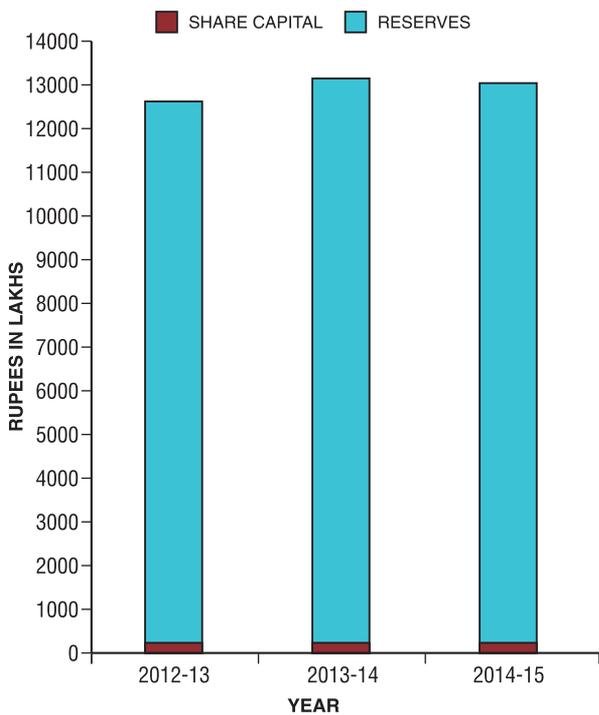
### CURRENT RATIO



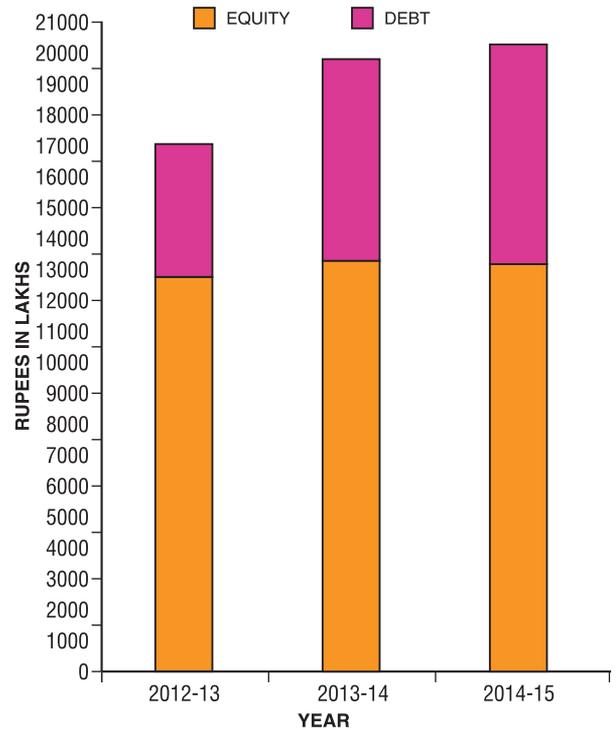
### DOMESTIC & EXPORT EARNINGS



### SHAREHOLDERS' FUND

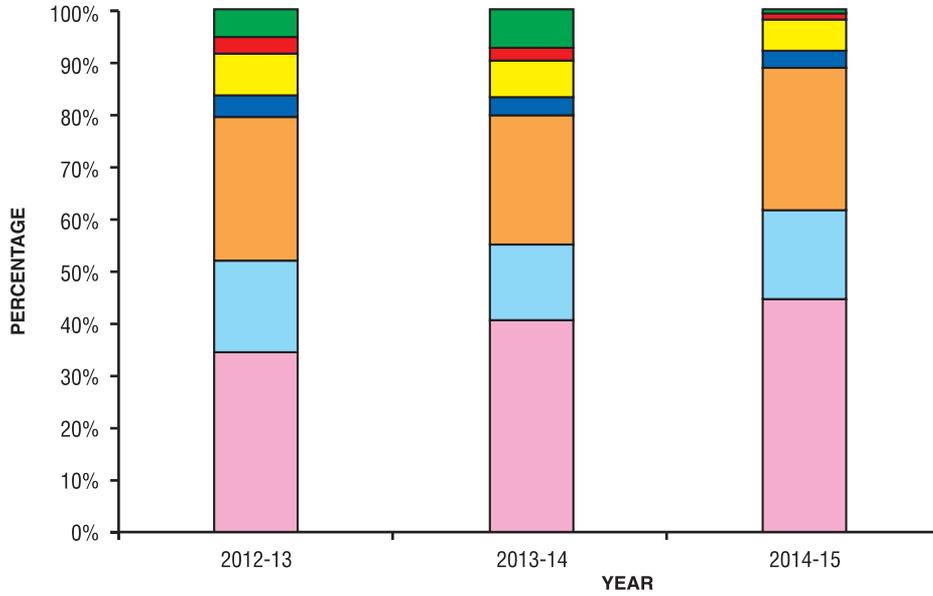


### DEBT & EQUITY

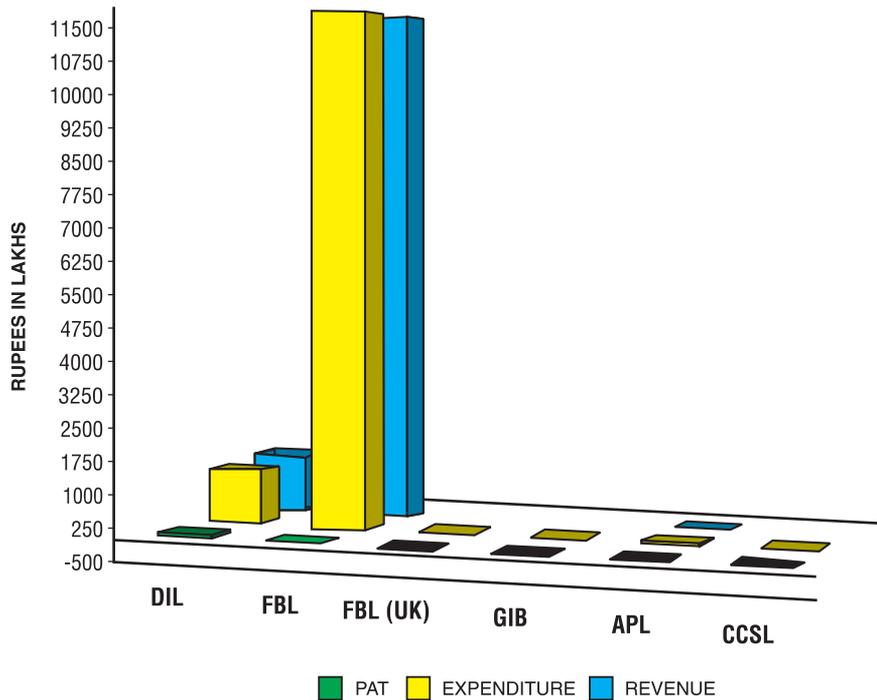


### DISTRIBUTION OF REVENUE 2014-15

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



### PERFORMANCE OF DIL & ITS SUBSIDIARY COMPANIES 2014-15



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## DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

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

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

### NOTICE

Notice is hereby given that the Sixty-Third Annual General Meeting of the Members of DIL LIMITED will be held at its registered office at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400 610, Maharashtra on Wednesday, September 30, 2015 at 3.00 p.m. to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - (a) the audited Financial Statements (Standalone) of the Company for the financial year ended March 31, 2015, Report of the Board of Directors and the Auditors thereon; and
  - (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 along with report of the Auditors thereon.
2. To declare a final dividend on equity shares (₹ 5 per equity share) of ₹ 10 each for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr. Satish Varma (DIN – 00003255), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and in furtherance of the resolution passed by the members in 62<sup>nd</sup> Annual General Meeting of the Company, the appointment of SRBC & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E) be and is hereby ratified to hold office from the conclusion of this 63<sup>rd</sup> Annual General

Meeting (AGM) until the conclusion of 64<sup>th</sup> AGM of the Company at such remuneration as may be mutually decided by the Board of Directors of the Company and SRBC & Co. LLP."

#### SPECIAL BUSINESS

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

#### Re-appointment of Mr. Krishna Datla as Managing Director

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or any re-enactment thereof) ("Act"), consent of the Company be and is hereby accorded to the re-appointment of Mr. Krishna Datla (DIN: 00003247) as the Managing Director ('Managing Director') of the Company for a period of three years commencing from May 9, 2015 as per the terms and conditions mentioned in the agreement dated March 18, 2015 entered into between the Company and Managing Director, which inter-alia are set out in the Explanatory Statement.

**RESOLVED FURTHER THAT** the total remuneration including perquisites payable to the Managing Director shall be subject to the overall ceilings laid down in Section 197 of the Act.

**RESOLVED FURTHER THAT** 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 of the Company ('Board') is authorised to decide the payment of remuneration of the Managing Director in the following manner:

- a. Payment of remuneration by way of salary, perquisites and other allowances as set out

above, subject to the applicable ceilings laid down in Section II of Part II of Schedule V to the Act.

- b. Payment of remuneration by way of salary, perquisites and other allowances as set out above, provided prior approval of the Central Government is obtained, in case the above remuneration exceeds the limits specified in Section II of Part II of Schedule V of the Act;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter or vary terms of remuneration of the Managing Director as it may deem fit from time to time so as not to exceed the remuneration limits prescribed in the Explanatory Statement.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution”.

6. To consider, and if thought fit, pass with or without modification(s), the following as a Special Resolution

**Adoption of revised Articles of Association of the Company to align with the form of Articles specified in Table F of Schedule I to the Companies Act, 2013**

“**RESOLVED THAT** pursuant to the provisions of Section 5, Section 14, Table F to Schedule I and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof], the revised Articles of Association of the Company, as per the draft Articles of Association placed before this meeting and duly initialed, in substitution and supersession of the existing Articles of Association of the Company, be and is hereby approved and adopted.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things necessary or expedient to give effect to this resolution.”

7. To consider, and if thought fit, pass with or without modification(s), the following as a Special Resolution

**Increase in Borrowing powers of the Company**

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made

thereunder (including any statutory modification(s) or any re-enactment thereof) (“Act”) and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors including any committee thereof (hereinafter referred to as the ‘Board’) to borrow money, for and on behalf of the Company, (including the monies already borrowed by the Company, apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), up to an aggregate amount not exceeding ₹100,00,00,000 (Rupees One Hundred Crore) from banks, financial institutions and other sources, from time to time for financing the requirements of the Company, notwithstanding that the money so borrowed may exceed aggregate of paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By Order of the Board of Directors of DIL Limited

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

Registered Office:  
‘DIL’ Complex, Ghodbunder Road,  
Majiwada, Thane (W) – 400 610,  
Maharashtra, India.

August 14, 2015.

**NOTES:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY, DULY STAMPED, COMPLETED, AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE ANNUAL GENERAL MEETING (AGM). A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person cannot act as a proxy for any other person or member. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/ authority letter, as applicable.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of this AGM, a member would be entitled to inspect the proxies received by the Company, anytime between 9 a.m. to 6 p.m., provided that not less than three (3) days notice in writing is given to the Company.
4. The Register of Members and Share Transfer Books will remain closed from Thursday, September 24, 2015 to Wednesday, September 30, 2015 (both days inclusive) for the purpose of payment of final equity dividend for the financial year 2014-15.
5. Subject to the provisions of the Act, the final equity dividend as recommended by the Board of Directors, if declared at this Annual General Meeting will be paid on or after October 5, 2015 to those members whose names appear:
  - (a) in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before Wednesday, September 23, 2015 and
  - (b) as beneficial owners as at the end of business hours on Wednesday, September 23, 2015 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialized form.
6. The Company has provided facility to the Members for receiving dividend through National Electronic Clearing System (NECS) to avoid loss in transit, undue delay, fraudulent interception and encashment of dividend warrant(s). Members holding shares in physical form and wishing to avail this facility are requested to send their details in NECS mandate form (as available on the website of the Registrar and Transfer Agents) to the Company's Registrar and Transfer Agents. Members holding shares in dematerialized (electronic) form are requested to note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. Members may note that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrant(s).
7. Dividend for the financial year ended March 31, 2008, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) on November 01, 2015, pursuant to the provisions of Section 124 of the Companies Act, 2013. Members who have not encashed their dividend warrants/drafts for the year ended March 31, 2008 or thereafter, are requested to forward their claim(s) to the Company's Registered Office and/or to the Company's Registrar and Transfer Agents. Members are hereby informed that no claims shall be entertained by the Company for such amount of unclaimed dividend transferred to the said IEPF.
8. Members are hereby informed that dividend, which remain unclaimed / unencashed over a period of seven (7) years, will be transferred by the Company to the IEPF as per Section 124 of the Act. Details of unpaid/unclaimed dividend (i.e from the financial year 2007-08 to the financial year 2013-14) as on the last

AGM held on September 24, 2014 have been uploaded on the website of the Company and the same have been filed with the Ministry of Corporate Affairs (MCA) in the prescribed Form within the stipulated time period. All unclaimed dividend upto the financial year ended March 31, 2007 has been transferred to the IEPF.

9. The profile of the Directors recommended for appointment / re-appointment at the Annual General Meeting under item no. 3 and 5 above, as required by Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and Secretarial Standards on General Meetings (SS-2) as specified by Institute of Company Secretaries of India and approved by the Central Government, is furnished in the Corporate Governance Report.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection at the venue of the AGM on the date of the 63<sup>rd</sup> AGM.
11. Members holding shares in the same name under different ledger folios and wish to consolidate such folios may send the relevant share certificates to the Company's Registrar and Transfer Agents for necessary action(s).
12. Members holding shares in physical form can avail the nomination facility by filing Form SH-13 (in duplicate) prescribed under Section 72 of the Act and Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or to its Registrar and Share Transfer Agents. In case of shares held in dematerialized form, the nomination may be lodged with the Depository Participant. The above form will be made available on request.
13. The 63<sup>rd</sup> Annual Report along with Notice of the AGM, 'remote e-voting procedure', Ballot Form, Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company or with the Company's Registrar and Transfer Agents.
14. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Company is pleased to provide the Members with the facility through which the Members may exercise their vote electronically, through remote e-voting services provided by CDSL, on all resolutions set forth in this Notice. The instructions for remote e-voting ('e-voting') are as under:
  - (A) Members are requested to follow the steps as mentioned in point (i) to (xix) on page no. 145 and 146 of Annual Report and Other Instructions mentioned in point 14(B) below to cast their vote electronically i.e. e-voting and through ballot form.
  - (B) Other instructions for e-voting:
    - i. The e-voting period commences on September 27, 2015 (9.00 a.m. IST) and ends on September 29, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 23, 2015, may cast their vote through remote e-voting. The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on September 29, 2015. Once the vote on a resolution is cast by the Member, the same shall not be allowed to change it subsequently. A Member may participate in the general meeting even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again.
    - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 23, 2015.

- iii. In case the members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'Help Section' or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - iv. Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. V. N. Deodhar (Membership No. FCS 1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, at the Registered Office of the Company not later than September 29, 2015 (5.00 p.m. IST). Ballot Form received after the said date will be treated as invalid.
  - v. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot Form. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
  - vi. Mr. V.N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Forms received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
  - vii. The facility for voting through Ballot Forms will be made available at the AGM and the members attending the AGM who have not already cast their vote by remote e-voting or by Ballot Form, will be able to exercise their right at the AGM through Ballot Forms.
  - viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
  - ix. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dil.net](http://www.dil.net) and on the website of CDSL, [www.cdslindia.com](http://www.cdslindia.com) within three days of the passing of the resolutions at the 63<sup>rd</sup> AGM of the Company scheduled on September 30, 2015 and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are listed.
16. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.
17. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company's Registered Office at least one week before the date of the meeting so that the information can be made available at the AGM.
18. Members/proxies should bring the attendance slip, duly filled in, for attending the meeting. Members are requested to bring their copies of the Annual Report as the same will not be distributed at the meeting.
19. The route map (including the prominent landmark) for easy location of the AGM venue is provided on page no. 142 of the Annual report.

By Order of the Board of Directors of DIL Limited

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

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

August 14, 2015.

## ANNEXURE TO NOTICE

### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 ('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, 2010. His tenure as the Managing Director has come to an end on May 08, 2015.

Subject to the approval of the members of the Company, the Nomination and Remuneration Committee and Board of Directors of the Company at their respective meeting(s) held on February 13, 2015 re-appointed Mr. Krishna Datla, as Managing Director ('Managing Director') of the Company for a period of (3) three years with effect from May 9, 2015.

The Managing Director shall act as a Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of Section 203(1), 203(2) read with Section 2(51) of the Act.

The material terms of the agreement ('Agreement') entered into between the Company and Mr. Krishna Datla on March 18, 2015 are as under:

#### i) Salary:

₹4,75,000 per month in the scale of ₹4,75,000 - ₹6,00,000 and eligible for revision as and when deemed fit by the Board of Directors.

#### ii) Perquisites:

The Managing Director shall be entitled to:

- a. House Rent Allowance: ₹50,000 per month;
- b. Reimbursement of expenses in respect of gas, electricity and water.
- c. Leave Travel Concession: Return passage for self and family subject to a maximum of one month's basic 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. Such other payment in the nature of bonus, perquisites and allowances as may be decided by the Board of Directors.
- g. The Company shall provide two cars with drivers and telephone at residence. Provision of cars and telephone at residence for use on Company's business will not be considered as perquisites.

#### iii) Commission:

Subject to the provisions of Section 197 and other applicable provisions, if any of the Act, the Managing Director shall be paid commission at such percentage of the net profits of the Company or such quantum as may be determined by the Board of Directors, from time to time.

#### iv) Loss of Office:

Subject to the provisions of Section 202 and other applicable provisions, if any, of the Act, the Managing Director shall be paid compensation for loss of office. However, such payment shall not exceed the remuneration which he would have earned if he had been in office for his remaining term, based on the remuneration as mentioned under the Agreement and calculated on the basis as provided in the Act.

- v) Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration under Schedule V to the Act:
- a. Contribution to Provident Fund to the extent not taxable under the Income tax Act, 1961.
  - b. Gratuity payable at a rate not exceeding half month's salary for each completed year of service in accordance with the terms of the Payment of Gratuity Act, 1972.
  - c. Encashment of leave at the end of the tenure as per rules of the Company.

The total remuneration including perquisites payable to the Managing Director shall be subject to the provisions of Section 197 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 authorised to decide the payment of remuneration of the Managing Director in the following manner:

- a. Payment of remuneration by way of salary, perquisites and other allowances, subject to the applicable ceilings laid down in Section II of Part II of Schedule V to the Act (including any amendment or statutory re-enactment thereof), within prescribed limits as set out in the Agreement; or
- b. Payment of remuneration by way of salary and perquisites as set out above 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 V of the Act.

A brief profile of Mr. Krishna Datla as required by clause 49 of the Listing Agreement and Secretarial Standards on General Meetings (SS-2) as specified by the Institute of Company Secretaries of India and approved by the Central Government, is provided in the Corporate Governance Report.

The Board members therefore recommend the resolution for approval of the Members, as Special Resolution.

The agreement dated March 18, 2015 executed between the Company and Mr. Krishna Datla for the said appointment referred to in resolution No.5 is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays), upto the date of this 63<sup>rd</sup> AGM of the Company.

Except the following, none of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested in the above appointment.

<b>Interested Director</b>	<b>Nature of Interest/concern</b>	<b>Shareholding in Company [as on March 31, 2015]</b>
Mr. Krishna Datla	Being re-appointment	8.68%
Mrs. Rajeshwari Datla	Relative of Mr. Krishna Datla	1.25%

**Item No. 6:**

The existing Articles of Association of the Company are as per the erstwhile provisions of the Companies Act, 1956. In view of the notification of the Companies Act, 2013, it is proposed to alter the Articles of the Company to align it with the form specified in Table F of Schedule I to the Companies Act, 2013 and relevant provisions thereto.

The Board members therefore recommend the resolution for approval of the Members, as Special Resolution.

A copy of the existing as well as draft new Articles of Association of the Company is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturdays), upto the date of this 63<sup>rd</sup> AGM of the Company.

None of the Directors and Key Managerial Personnel of the Company including their relatives are in any way interested or concerned in this resolution.

**Item No.7:**

As per section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a company shall exercise the power to borrow money, where the money to be borrowed along with the monies already borrowed may exceed the aggregate of the company's paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, only with the consent of the members by a special resolution.

The present borrowings of the Company are within the limits as per the erstwhile provisions of Section 293(1)(d) of the Companies Act, 1956 and the provisions of Section 180(1)(c) of the Companies Act, 2013 (notified on September 12, 2013). In view of increased business expansions and financial requirements, the Company, in future may require to borrow money beyond the above specified limits of section 180(1)(c) of the Companies Act, 2013.

The Board members therefore recommend the resolution for approval of the Members, as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way interested or concerned in this resolution.

By Order of the Board of Directors of DIL Limited

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

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

August 14, 2015.

The following information pertaining to Mr. Krishna Datla, Managing Director is furnished pursuant to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013:

**I. General Information:**

- |  |  |
|--|--|
| (1) Nature of industry   | DIL Limited ('the Company') is in the business of renting properties, motion film production and distribution and in treasury operation. The Company also has strategic investments in subsidiary companies, joint venture entity and associate companies.   |
| (2) Date or expected date of commencement of commercial production   | Incorporated on 01.05.1951   |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable.  |
| (4) Financial performance based on given indicators  | As per the audited (standalone) financial statements for the year ended March 31, 2015, the revenue recorded was ₹ 1352.39 lakhs, profit before tax for the above year was ₹ 105.10 lakhs and profit after tax stood at ₹72.86 lakhs. As per the audited (consolidated) financial statements (including its subsidiaries, joint venture entity and associate companies) for the year ended March 31, 2015, the revenue recorded was ₹14,181.80 lakhs, profit before tax stood at ₹288.31 lakhs and the profit after tax stood at ₹95.38 lakhs. |
| (5) Foreign investments or collaborators, if any.  | DIL Limited is holding 50% of Share Capital in a Joint Venture entity for manufacturing and marketing of wheel chairs based on levitation movement technology i.e. Vasko Glider s.r.o., in Czech Republic.   |

**II. Information about the Managing Director**

- |                                 |  |
|---------------------------------|--|
| (1) Background details          | Mr. Krishna Datla is a Commerce Graduate from the Mumbai University. He has several years of experience in the field of Pharmaceuticals, Bulk Drugs and strategic planning and structuring of businesses. He is one of the Promoters of the Company and has been associated with the Company for more than 15 years. |
| (2) Past remuneration           | Remuneration paid during Financial year 2013-14: ₹ 47.23 lakhs<br>Financial year 2012-13: ₹ 41.72 lakhs  |
| (3) Recognition or awards       | No.  |
| (4) Job profile and suitability | Mr. Krishna Datla, Managing Director spearheads the businesses of the Company and is responsible for the growth and strategy of the Company and its subsidiaries.  |
| (5) Remuneration proposed       | As per special resolution No. 5 and its Explanatory statement thereto.   |

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

In the similar and other multi business segment industries, the emoluments drawn by managing directors are higher in comparison to the remunerations drawn by the Managing Director of the Company.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Save as aforesaid, there was no other pecuniary relationship directly or indirectly with the Company and the Managing Director, except that: (i) Mr. Krishna Datla is related to Mrs. Rajeshwari Datla, a non-executive Director of the Company and (ii) Mr. Krishna Datla is holding 1,99,085 (8.68%) equity shares as Promoter of the Company and (iii) as otherwise provided in this Annual Report.

### III. Other information

(1) Reasons of loss or inadequate profits

Though the net profits of the Company up to the period ended March 31, 2015 has been positive and adequate, however the manner of calculation of eligible profits for managerial remuneration as specified in Section 198 of the Companies Act, 2013 may result in payment of remuneration in excess of the limits specified in Section 197 of the Act.

(2) Steps taken or proposed to be taken for improvement.

The Company has initiated several measures for cost management, prudent utilization of its assets and timely implementation of ongoing project(s) to improve the profitability of the Company. As mentioned above, the Company has been investing in various business segments including its subsidiaries and associate companies; the investments are expected to yield desirable returns in the near future.

(3) Expected increase in productivity and profits in measurable terms.

Barring unforeseen circumstances, the revenue earnings vis-à-vis profitability of the Company is expected to increase in the coming years.

By Order of the Board of Directors of DIL Limited

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

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

August 14, 2015.

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 63<sup>rd</sup> Annual Report along with the Audited financial statements for the financial year ended March 31, 2015.

### FINANCIAL HIGHLIGHTS

(Amount - ₹ in Lakhs)

	STANDALONE RESULTS		CONSOLIDATED RESULTS	
	2014 - 2015	2013 - 2014	2014 - 2015	2013 - 2014
Total Revenue	<b>1,352.39</b>	1,521.91	<b>14,181.80</b>	14,137.47
Total Expenditure	<b>1,062.79</b>	1,090.63	<b>12,585.48</b>	11,290.06
<b>Profit before Interest, Depreciation, Amortization Expense and Tax ('EBIDTA')</b>	<b>289.60</b>	431.28	<b>1,596.32</b>	2,847.41
Financial Cost	<b>2.87</b>	4.90	<b>450.16</b>	530.54
Depreciation and Amortization Expense	<b>181.63</b>	224.57	<b>857.85</b>	984.10
Interest Income	—	(4.73)	—	(4.73)
<b>Profit before tax ('PBT')</b>	<b>105.10</b>	206.54	<b>288.31</b>	1,337.50
Less: Prior period amortization expense	—	—	—	(102.83)
Less : Provision for tax (including deferred tax)	<b>32.24</b>	64.38	<b>192.93</b>	339.05
<b>Profit after tax ('PAT')</b>	<b>72.86</b>	142.16	<b>95.38</b>	1,101.28
Minority interest	—	—	<b>(7.29)</b>	(225.50)
Share of interest in profit/(loss) of associates	—	—	<b>(41.71)</b>	(87.91)
<b>Profit for the year</b>	<b>72.86</b>	142.16	<b>46.38</b>	787.87
Balance brought forward*	<b>3,771.42</b>	3,912.55	<b>6,080.40</b>	5,587.59
<b>Balance for appropriations*</b>	<b>3,844.28</b>	4,054.71	<b>6,126.78</b>	6,375.46
Appropriations				
Interim Dividend	—	(171.99)	—	(171.99)
Proposed Dividend	<b>(114.66)</b>	(57.33)	<b>(114.66)</b>	(57.33)
Dividend Distribution Tax	<b>(23.34)</b>	(38.97)	<b>(23.34)</b>	(38.97)
Transfer to General Reserve	—	(15.00)	—	(15.00)
Balance in Statement of Profit and Loss account	<b>3,706.28</b>	3,771.42	<b>5,988.78</b>	6,092.17

\* Net of adjustment of effect of depreciation

## RESULTS FROM OPERATIONS

During the year under review, the Company on a Standalone basis, earned a revenue of ₹1,352.39 lakhs, (Previous year ₹1,521.91 lakhs). The profit before tax for the year under review was ₹105.10 lakhs (previous year ₹206.54 lakhs) and profit after tax was ₹72.86 lakhs for the year under review as against ₹142.16 lakhs in the previous year.

The Company on a consolidated basis recorded a revenue of ₹14,181.80 lakhs in the financial year 2014-2015 (Previous year ₹14,137.47 lakhs). In the financial year 2014-15, the profit after tax was ₹95.38 lakhs as against ₹1,101.28 lakhs in the previous year.

## DIVIDEND

Your Directors are pleased to recommend a final equity dividend of ₹5 per equity share of ₹10 each (50%) [previous year ₹10 per equity share i.e. interim dividend of ₹ 7.50 per equity share and final dividend of ₹ 2.50 per equity share] for the year ended March 31, 2015. Total cash outflow in relation to the equity share dividend will be ₹ 138 Lakhs (previous year ₹ 268.29 Lakhs), including dividend distribution tax of ₹ 23.34 Lakhs (previous year ₹ 38.97 Lakhs)

## TRANSFER TO RESERVE

The Board of Directors of your Company proposes to retain the entire profit after tax i.e. ₹72.86 Lakhs in the Statement of Profit & Loss for the financial year 2014-15 (previous year ₹ 142.16 Lakhs). During the previous year, ₹15 Lakhs were transferred to General Reserve.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, joint venture and associate companies are prepared in accordance with the relevant Accounting Standards (AS) i.e. AS 21 and AS 27, issued by the Institute of Chartered Accountants of India and provisions of the Listing Agreement and the Companies Act, 2013 ('Act'), and shall form part of this Annual Report. The consolidated financial statements of the Company for the financial year 2014-15 includes financials of its subsidiaries i.e. Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, Aegean Properties Limited, CC Square Films Limited ('Subsidiaries'), Vasko Glider s.r.o. (Joint Venture'); and associate companies, Health and Wellness India Private Limited and Zela Wellness India Private Limited ('Associate companies').

## SUBSIDIARY COMPANIES

The individual financial statements and other reports of the Company's Subsidiaries, Joint Venture and Associate companies has not been attached to the financial statements of the Company for the financial year 2014-2015. The annual financial statements of the Company's Subsidiaries, Joint Venture, Associate companies and its related information will be made available to any member of the Company seeking such information.

The financial information of the Company's Subsidiaries, Joint Venture and Associate companies provided in this section may be read along with the information provided under the heading 'Consolidated Financial Statements' of this report. In accordance with the provisions of section 129 (3) of the Act, read with Rule 5 and Rule 8 of the Companies (Accounts) Rules, 2014 [as amended from time to time], the Company has attached a separate statement, containing salient features of the financial statements of Company's Subsidiaries, Joint Venture and Associate companies in Form AOC I on page no. 38, of this report.

During the year under review, no company has become or ceased to be a subsidiary, joint venture entity or associate company.

The financial statements of the Company's Subsidiaries, Joint Venture and Associate companies will be kept open for inspection at the registered office of the Company, during business hours on all working days, except Saturdays, upto the date of the ensuing 63<sup>rd</sup> Annual general meeting of the Company.

The standalone and consolidated financial statements of the Company, along with the financial statements of the Company's Subsidiaries, Joint Venture, Associate companies and its related information as attached to this report have been uploaded on the website of the Company ([www.dil.net](http://www.dil.net)).

Your Company has adopted the material subsidiary policy in the year under review. The material subsidiary policy has been posted on the Company website (<http://www.dil.net/Company-Policies.html>).

Shareholders interested in obtaining copies of the annual financial statements of each of the Company's Subsidiaries, Joint Venture, and Associate companies, may write to the Company Secretary at the registered office address of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company during the financial year 2014-15 mainly include:

- a. Ongoing Strategic investments in pharmaceuticals and wellness management;
- b. Engaged in research, development and product delivery across biotechnology, pharmaceuticals and environmental solutions through its subsidiary, Fermenta Biotech Limited (FBL); and

c. Property rentals, treasury operations and production of motion pictures.

This MD&A section, as discussed below, covers the management perspective and review of operational performance of the Company and its subsidiary, FBL. The industry perspectives pertaining to pharmaceutical, biotech and environmental solutions are as follows:

India has earned an eminent global position in the pharmaceutical sector. Ranked third globally in terms of volume and thirteenth in terms of value, India accounts 10% of the global productions. Going ahead, the Indian pharmaceutical industry is expected to grow from USD 34 billion in 2013-14 to USD 48 billion by 2017-18 at a Compounded Annual Growth Rate (CAGR) of 14% - a reflection of increased consumer spending, urbanization and healthcare insurance. The Indian Pharmaceutical sector has been adopting various measures to ensure affordable healthcare expenses, primarily through introduction of generic drugs. India's generic drugs sector is the largest global suppliers of generic medicines which accounts 20% of global exports by volume. India's generic market has good growth potential and is expected to reach USD 26.10 million by 2016.

The Indian biotechnology industry is strategically positioned to meet the growing demands of global biotech markets. The Indian biotechnology industry has grown in the last three decades - an increase from ₹ 23.045 billion in 2002-03 to over ten times in 2014-15. The growth of biotechnology sector is catalyzed by upsurge in domestic and export markets, policy support and increased investments.

The Active pharmaceutical Ingredients (API) market in India is expected to grow at a CAGR of 10.76% between 2014 to 2019. One major emerging trend in API industry is the focus on research and development and introduction of high potency API, which are increasingly used for target therapy. A key contributor to the growth of API market in India is the increased outsourcing by global pharmaceutical companies to cost effective manufacturers in India. Key factors of Indian API manufacturers' in consolidating the regulated export markets include yield improvements, process modifications, increased throughput of high volume products and wider market footprints.

India enjoys a moderate share of the global industrial enzymes market and is expected to grow at a steady rate in the coming years. There is a growing

opportunity of focused R&D knowledge based innovation in industrial enzymes, which has been replacing polluting chemical process to eco-friendliness and environment sustainability process.

India being one of the most populated countries in the world as well as one of the most rapidly developing nation, generates considerable amount of waste. The waste management market is expected to be around USD13.62 billion by 2025, while the Indian municipal waste management market is expected to grow at a CAGR of 7.14% till 2025.

**Performance:**

During the year under review, FBL on a Standalone basis, recorded a revenue of ₹12,931.10 lakhs (Previous year ₹12,716.79 lakhs). The profit before tax for the year under review was ₹189.40 lakhs (previous year ₹1,063.69 lakhs) and profit after tax was ₹32.60 lakhs for the year under review as against ₹796.03 lakhs in the previous year.

FBL on a consolidated basis recorded revenue of ₹ 12,931.10 lakhs in the financial year 2014-2015 (Previous year ₹ 12,724.79 lakhs). The profit after tax was ₹ 25.43 lakhs as against ₹ 803.89 lakhs in the previous year.

**Strength:**

Cost efficiency and competence are the primary strengths of Indian pharmaceutical industry. Cost of setting manufacturing facilities, cost of production and Labour components are highly cost effective in comparison to US and other developed markets. India has a skilled workforce coupled with high technical competence in comparison to other Asian competitors. India has second largest number of US FDA approved manufacturing plants outside USA. Manufacturing standards in India mandate compliance of different international standards and regulations.

Consistent improvements in R&D capabilities of Indian API manufacturers have gained recognition in highly regulated markets of USA & Europe.

**Opportunities and Outlook:**

Indian pharmaceutical companies are also consolidating their export growth in regulated and semi regulated markets. In terms of volume, India is the world's largest producer of generic medicines. Indian generic drugs account 20% of global generic drug exports. Value wise, exports of pharmaceutical products has been expanding to more than 200 countries, with

USA as the key market. Healthcare spending is expected to rise at a CAGR of 20% to USD 280 billion from USD 65 billion during 2012-20. Pharmaceutical sales are expected to increase to 27% by 2016 from 18.90% in 2008, as well. Growing health awareness, changing attitudes towards preventive healthcare, rising income level, sizeable geriatric population are expected to strengthen the need for organized healthcare services in India.

The Indian healthcare is poised to grow due to growing demands, encouraging government policies, increasing investment in R&D and innovation in India.

The waste management industry is focusing on innovative ways to treat varied forms of waste. FBL is positioned to align its capabilities with Government's plans in waste management sector by forging public private partnership.

**Concerns:**

Concerns of Indian bulk drug manufacturers are mainly due to the dependence on bulk imports of Chinese drugs. A recent KPMG India analysis of imports data of nine strategically important intermediates suggests that by having a majority share in imports, China has become the major supplier of intermediates and APIs to the Indian manufacturers. Further, increasing competition from China is another factor for not achieving expected growth in the Indian bulk drug exports and domestic market as well.

Tradition way of treating waste like dumping, landfilling, incinerating, among others seem unviable with land sites for waste disposal due to environmental concerns. Despite notifying relevant regulations, guidelines and procedures, implementation of effective waste management is below the set standards.

**PROPERTY DEVELOPMENT AND RENTALS**

**Industry Perspective:**

Rolling out various attractive incentive schemes and tax benefits to the Information Technology/Information Technology Enabled Services (IT/ITES) sector, the Government of Maharashtra unveiled its new IT/ITES policy in 2015. The new IT/ITES policy 2015 aims to accelerate investment(s) in IT/ITES sector, employment generation, higher exports. Under the new IT/ITES policy 2015, the definition and scope of the information technology enabled services is inclusive in nature, which would result in a wide range of users to occupy IT/ITES

units. The Government has introduced various fiscal incentive schemes for the benefit of the IT/ITES sector. IT/ITES units having Green Building Certification will enjoy additional exemptions in terms of certain statutory compliances viz relaxations in labour laws and ease in compliance. The new IT/ITES policy 2015 also provides real estate benefits to IT/ITES buildings duly approved by District Industries Centre (DIC).

The real estate industry reacted cautiously to the announcements made in the budget 2015, government initiatives and other market developments. No major announcements were made in the last union budget for the real estate industry, however measures like boosting infrastructure growth, speedy government approvals and easing FDI norms will have positive impact on real estate activities in the coming years. It is expected that during the financial year 2008-2020, the market size of real estate industry will increase at a compounded annual growth rate (CAGR) of 11%. Amongst other areas of development in real estate industry, growth in commercial real estate will have significant impact in the ensuing years. In a study conducted by a leading real estate consultancy company, Mumbai Metropolitan Region is considered as a preferred commercial real estate destination with moderately good returns in future. IT & ITES, consultancy and e-commerce will be the key drivers in office space in the coming years.

**Performance:**

As reported earlier, your Company has obtained permission from Thane Municipal Corporation to redevelop part of its property situated at DIL Complex, Thane into Information Technology (IT)/Information Technology enabled Services (ITES) Park- (Thane One), an environmentally conscious complex with a green ambience build to LEED Platinum rating building standards, duly registered with DIC. As on the date of this report, almost 85% of finishing work of 'Thane One' has been completed. Fit out works of tenants have already commenced. Barring unforeseen circumstances, 'Thane One' building is expected to be ready for occupation on or before October 30, 2015. In 2014-15, your Company reported a decrease in property income from ₹1,274.65 lakhs in the previous year to ₹1,065.54 lakhs in the year under review. Key aspects of such decline of such revenue were unvarying rental income from Company's properties and non utilization of surrendered licensed premises in DIL Complex.

**Opportunities and Outlook:**

In the backdrop of above and with the growing demands, the commercial office space in Mumbai Metropolitan Region has been experiencing surge in demand for commercial office space. Improved road connectivity, good infrastructure, lower rentals as compared to Central Business Districts (CBD) and large working class population are key factors for entities to look out for commercial space in Thane. Thane over a period of time has shaped into as the next best business destination to the commercial capital of India, Mumbai. The growth of Thane as a thriving business location, has been attracting sectors like IT & ITES, BPOs, Consultants, banking, finance into her fold. Taking into consideration factors like growing market sentiments; new IT/ITES Policy 2015 and opportunities in Thane as a preferred office space destination, your Company has geared up to cater the needs of cost conscious office space occupants in Thane One.

**Concerns:**

In the year under review, the office real estate recovered slowly from the previous years' muted market sentiments. Positive change in business activities and improvements in office leases has been reflected in 2014-15. The trend of improved leasing activity in office space is expected to continue in the coming years. Translating the growing demands for office lease for cost conscious occupants will be a challenge especially when the office real estate market is in recovery phase. Delay in completion of projects and its related governmental approvals may result in significant overrun in project completion schedule and its cost and interest as well.

**Treasury Operations:**

In 2014-15, revenue earned from treasury operations of the Company increased by almost 15% to ₹ 281.25 lakhs from ₹ 244.79 lakhs in the previous year. Key factors for increase in revenue from treasury operations in the financial year 2013-14 were attributed to increased interest on surplus funds and profit on redemption of current investments.

As informed earlier, your Company's investments in mutual funds and fixed deposits are encashed/ withdrawn on need basis to meet the funding requirements of the on-going Thane One project. The exemptions announced in the Union budget 2015 pertaining to treasury operations, evoked mixed reactions and there are no material benefits from such

exemptions. All existing investment and new proposals of the Company are reviewed by its Investment Committee in accordance with the laid parameters and regulatory provisions for such investments.

**ENTERTAINMENT DIVISION  
(WHITE STRIPES ENTERTAINMENT):****Industry Perspective:**

The Government of India has supported the Media and Entertainment (M&E) sector by introducing various initiatives such as easing of FDI norms and granting industry status to film industry for accessing to institutional finance. The road ahead for M&E industry looks positive. The growth of M&E is mainly driven by cable and satellite platforms, increased digitalization, and internet usages. Revenue from film industry, including grant of cable & satellite rights, is projected to grow steadily.

**Performance:**

The operations of White Stripes Entertainments', a division of your Company, in the year under review has remained unchanged. In 2014-15, White Stripes Entertainments' continued to hold onto the strategic alliance with a leading production house for the remake of a Hindi film project and are in the process of finalizing the cast and other talent. In the year under review, the division has reviewed some proposals to identify right opportunities to capitalize its intellectual properties for better returns. White Stripes Entertainments' has initiated a joint development of a new film project based on preferred themes with a modest budget.

**Opportunities and Outlook:**

In 2014, the Indian Media and Entertainment (M&E) industry registered a growth of 11% to INR 1026 billion, growing at compound annual growth rate (CAGR) of 15 % between 2013 and 2018. Indian M&E industry is on a growth phase, mainly backed by televisions revenue, digitisation, higher internet and mobile phone usage and download of paid applications. Surge in foreign direct investments clearly indicates positive intentions of foreign entities in the Indian M&E sector.

**Concern:**

Piracy in M&E industry has been a concern. Implementing measures like proactive compliance, stricter vigilance, quicker enforcement and awareness programmes of pirated contents amongst users, in a consistent manner will help in resolving such threats.

**Associate Companies:**

The Company has been investing in Associate Companies, engaged in wellness activities. Considering the on going business plans and future opportunities of Associate Companies, your Company expects to yield desirable returns in the coming years.

**INTERNAL CONTROL SYSTEMS**

The Company maintains appropriate internal control systems, commensurating to its size, nature of operations, reporting(s) and compliance with applicable laws and Company's procedures. During the year under review, the Company's Internal auditors, M/s. M. M. Nissim & Co., Chartered Accountants, conducted and reported the effectiveness and efficiency of these systems and adherence of procedures as per the policies of the Company.

The Company has a well staffed, experienced and qualified Finance Department who plays an important role in implementing and monitoring the internal control environment and compliance with statutory requirements. The Audit Committee and the Board of Directors reviews the report(s) of the independent Internal Auditor at regular intervals on the adequacy and effectiveness of Internal Control system and suggest improvements and corrective actions for implementation.

**HUMAN RESOURCES**

The manpower strength for the financial year 2014-15 was stable with a closing headcount of 46 personnel across all levels.

The organisation continued to strengthen its team with focus on Organisational Development (OD) interventions and retention programmes. Personal Profile Analysis and Human Job Analysis using behaviour assessment tools from Thomas Assessments were pursued to facilitate introduction to competency mapping for each job role. Trainings including technical assistance, behavioral sessions and Leadership excellence were conducted to step up competencies of the workforce.

Employee engagement activities were conducted to facilitate overall enhancement of employee motivation.

Retention strategies like Retention Bonus, Association Bonus, Project Incentives, Higher Education & Extended Medical benefits to family members were strengthened

to maintain attrition levels as per industry standards. Compensation & Benefits surveys were also conducted to facilitate industry benchmarking.

Your Company plans to continue its measures to strengthen the team with further initiatives on OD and participate in Executive Development Programmes for the senior management.

The information required pursuant to Section 197 of the Companies Act, 2013 ("Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this report. However, in terms of Section 136 of the Act, this report including financial statements is being sent to the members and others entitled thereto, excluding the said Information on employees' particulars. Members can inspect the said information at the Registered Office of the Company during business hours on any working day (excluding Saturday) up to the date of this 63<sup>rd</sup> Annual General Meeting (AGM) or can obtain its copy by writing to the Company Secretary at the registered office address of the Company.

**INFORMATION TECHNOLOGY:**

Information Technology (IT) continues to support business operations in the Company, through continued investment in the enterprise wide ERP platform including Data Reporting. The Company's IT Team manages all the locations with state of the art technology and have been at the forefront of new technology adoption in India. In addition, mobility solution is in place for all individuals who execute sales transactions in the market place IT has played a key role in bringing agility and availability to Company's operations. Your Company continues to drive resilience through targeted remediation of high risk IT components, including hardware, databases, operating systems and applications. Annual Application & Control audits are undertaken to ensure consistent remediation of any business and process risks.

Alongside the investment in technology, the Company is also improving its service management processes to prevent any defects in the IT environment and to enable faster resolution of any such incidents with minimum business disruption.

**AWARDS:**

Your Company has received 'Asia Pacific Property

Awards - Best Office Architecture, India 2013 -14' for the 'Thane One' Corporate Park, an IT/ITES project of your Company.

## DEPOSITS

Your Company has not accepted any fixed deposits and no principal or interest is due to the public as on March 31, 2015.

## CREDIT RATING

During the year under review, the Company has received 'Long Term' Credit rating of 'BBB- /Stable' as reaffirmed by CRISIL. The rating 'BBB' reflects that the instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and such instruments carry moderate credit risk.

## DIRECTORS

### Independent Directors:

In Compliance of Section 149 and 152 of the Act, read along with Companies (Appointment and Qualifications of Directors) Rules, 2014 along with Schedule IV and pursuant to members' approval in the Annual General Meeting of the Company held on September 24, 2014, Mr. Sanjay Buch and Mr. Vinayak Hajare can hold office as Independent and non-retiring directors for a term of five consecutive years i.e. upto 31<sup>st</sup> March, 2019.

The Independent Directors have made declarations to the Company, confirming that they meet the conditions of independence laid down in sub section 6 of section 149 of the Act and clause 49 of the Listing Agreement.

### Chairman:

During the year under review, the Board of Directors of the Company accepted the letter dated February 10, 2015 of Mr. G.G Desai to retire as Chairman and Non-Executive Independent Director of the Company effective from February 14, 2015, due to his advanced age and health conditions. The Board members placed on record their appreciation for the valuable services rendered and guidance provided by Mr. G.G. Desai during his association as Chairman and Non-Executive Independent Director of the Company. Recognizing Mr. Desai's long-standing contribution to the Company and with the consent of

Mr. Desai, the Board of Directors decided to confer upon him an honorary position of 'Chairman Emeritus' with effect from February 14, 2015, in order to continue to benefit from his extensive knowledge and experience and avail his advisory and consultancy services as may be required by the Company, from time to time, on such terms as may be mutually decided.

In view of the retirement of Mr. G.G. Desai as Chairman and Director of the Company, Mr. Sanjay Buch, Non-Executive Independent Director, was appointed as the Chairman of the Board of Directors with effect from February 14, 2015.

### Retirement by rotation:

Mr. Satish Varma (DIN: 00003255), Non Executive Director, retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

### Managing Director:

Based on the recommendation of Nomination and Remuneration Committee and subject to approval of members of the Company, the Board of Directors in its meeting held on February 13, 2015 had approved re-appointment of Mr. Krishna Datla as the Managing Director of the Company, for a period of three years commencing from May 9, 2015 including the terms and conditions of said re-appointment and remuneration, as provided in Explanatory statement to resolution no. 5.

Brief profile of the Directors proposed for re-appointment at the Annual General Meeting is provided on page no. 41 of this Annual Report.

### Key Managerial Personnel:

Pursuant to the provisions of the Companies Act, 2013, the details of Key Managerial Personnel of the Company are provided in the annexed Form no. MGT-9 i.e. Extract of Annual return in Annexure II to this report on page no. 28.

## AUDITORS

The Members in the 62<sup>nd</sup> AGM of the Company held on September 24, 2014 approved the appointment of SRBC & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E) as Statutory Auditors of the Company to hold office from the conclusion of 62<sup>nd</sup> Annual General Meeting (AGM) until the conclusion of 65<sup>th</sup> AGM of the Company in place of the retiring Auditors, S.R. Batliboi & Associates LLP, Chartered

Accountants (Firm Registration no. 101049W), subject to ratification by the members at every AGM of the Company. SRBC & Co. LLP has expressed its willingness and confirmed its eligibility under the provisions of Companies Act, 2013, the Chartered Accountants Act, 1949, rules and regulations made there under to act as Statutory Auditors of the Company for the financial year 2015-16.

### SECRETARIAL AUDIT REPORT

The Board of Directors has appointed Mr. V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries as Secretarial Auditor of the Company for the financial year 2014-15.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the annual accounts for the financial year ended March 31, 2015 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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, 2015 have been prepared on a 'going concern' basis.
- v) Proper internal financial controls are devised to ensure compliance with the provisions of all applicable laws and that such internal financial

controls were adequate and operating effectively.

- vi) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

The details forming part of the extract of the annual return is enclosed as Annexure II to this Report and forms part of this Report.

### PREVENTION OF SEXUAL HARASSMENT AT WORK-PLACE

The Company has framed a code on 'Redressal of Grievances regarding sexual harassment' and has constituted an 'Internal Complaints Committee' for redressal of grievances as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. There were no such cases /grievances reported or pending during the year under review.

### COMPANY'S POLICY ON DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND OTHER EMPLOYEES, APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR.

As per the Nomination and Remuneration policy of the Company (Policy), the Director(s), KMP, Senior management personnel in addition to the criteria mentioned in Companies Act, 2013 and Listing Agreement with Stock Exchange, must have relevant qualification, experience and expertise for the concerned position and should possess the highest personal and professional ethics, integrity and values. The KMP / Senior management personnel proposed to be appointed shall also possess: (a) Strong analytical and excellent communication skills; (b) collaborative and flexible style, with a high level of professionalism; (c) Leadership skills – ability to lead and motivate a team, supervise them and provide / suggest regular progress reviews and plans for improvement.

Pursuant to the Policy, the Independent Directors of the Company shall be entitled for sitting fees for attending such meetings of the Board and Committee(s) Meetings. The Independent Directors shall not be entitled to any stock option of the Company.

Based on the performance of the Company, the Committee may recommend payment of profit related commission to Directors as per limits laid down in Act, subject to approval of the Board and shareholders of the Company. The remuneration to Managing Director /Managerial Personnel ["Managerial Personnel"] is paid by way of salary, perquisites and allowances. The Committee shall review the performance of the Company and the Managerial Personnel and may recommend the annual increment effective 1<sup>st</sup> April each year, for the approval of the Board. Remuneration including annual increment, if any, shall be paid within the limits of the Act and/or salary range approved by the Shareholders of the Company.

The remuneration paid to the Managerial Personnel is determined keeping in view of the benchmark of the similar industry and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company's policy as applicable.

The remuneration of KMP, Senior management and other employees shall largely consist of basic salary, perquisites, statutory benefits, allowances and performance (Variable) incentives. Perquisites and retirement benefits shall be paid according to the Company's policy. The components of the total remuneration are governed by the industry pattern / benchmark, qualification and experience of each employee. The annual variable remuneration of managers including KMPs and Senior management is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed at the beginning of the year.

#### **ANNUAL EVALUATION OF THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

During the year under review, the Board of Directors formulated and adopted Directors Performance evaluation policy which lays down the criteria and the process for evaluation of performance of entire Board of Directors and its Committees ('Board'), Non-Independent Directors (i.e. Executive and Non-Executive Directors) and Independent Directors.

The evaluation process of Board of Directors, its Committees and Individual Directors is conducted on annual basis. In case of appointment of new Independent Director / Non Independent Director, the

first evaluation process of such new Independent Director / Non Independent Director will take place within six months from the date of such appointment.

During the year under review, each Board member has assessed his/her performance as per the Self evaluation form and the entire Board (excluding the Director being evaluated) has done performance evaluation of all the Independent Directors as per the parameters laid down in the Policy.

During the year under review, the meeting of Independent Directors of the Company was held on to:

1. review the performance of Non Independent Directors and the Board as a whole;
2. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non Executive Directors;
3. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments are provided in notes to the financial statements.

#### **RELATED PARTY TRANSACTIONS**

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

Pursuant to the provisions of revised clause 49 of the Listing Agreement with Stock Exchange read with applicable provisions of the Companies Act, 2013, the Board of Directors has formulated and adopted Related Party Transactions policy of the Company. The said policy can be viewed at <http://www.dil.net/Company-Policies.html>

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

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

(A) Conservation of energy and Technology absorption

Information in accordance with provision of Section 134(3)(m) of the Act, with respect to Conservation of energy and technology absorption is not applicable to the present activities of the Company.

(B) Foreign Exchange Earnings and Outgo

During the year under review, there were no Foreign Exchange earnings. Foreign Exchange outgoings are provided in Note No. 34 to the Financial Statements.

#### **CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance along with the Corporate Governance Certificate issued by Mr V. N. Deodhar (Membership No. FCS-1880), Proprietor of V.N. Deodhar & Co, Practising Company Secretaries is provided in Annexure III and forms part of their Report.

Details of number of Board meetings, composition of the Audit Committee, details of risk management policy and establishment of Vigil Mechanism as required under the Companies Act, 2013 are provided in the Corporate Governance Report.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board of Directors of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 (Act) read with Companies (CSR Policy) Rules, 2014, has constituted a Corporate Social Responsibility (CSR) Committee of the Board with effect from May 30, 2014.

The composition of CSR Committee as on 31<sup>st</sup> March, 2015 is covered in Annexure I to this report.

Based on CSR Committee recommendations, the Board approved the Corporate Social Responsibility

Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

Annual report on CSR activities of the Company during the year under review is provided in Annexure I to this Board's report and forms part of this report.

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in business and in the nature of business of your Company during the year under review.

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

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations during the year under review.

#### **ACKNOWLEDGEMENTS**

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

#### **CAUTIONARY STATEMENT**

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

For and on behalf of the Board of Directors

Sanjay Buch  
Chairman

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

August 14, 2015.

## Annexure: I

### Annual Report on CSR activities:

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Continuing with the legacy of practicing CSR activities of our founder members, the Company has been committed to the cause of CSR for many years. Over the years, CSR activities of the Company have diversified and expanded into new communities and in turn benefitted more and more stakeholders. Today our Company firmly believes that corporate citizens have a vital role to play in empowering and enriching the communities and its stakeholders.

Brief of the CSR activities for financial year 2014-15, as was approved by the CSR Committee and Board of Directors of the Company:

- (a) Contribution to Prime Minister National Relief Fund as relief measures
- (b) Special education for children at orphanage in Thane.
- (c) Facilities for Orphanage
- (d) Health camps, Health Care and Sanitation
- (e) Vocation Skills and Training
- (f) Employment enhancement projects for differently abled persons
- (g) Facilities pertaining to health and welfare of Senior Citizens

CSR policy of the Company can be viewed at <http://www.dil.net/Company-Policies.html>

2. The Composition of the CSR Committee:

The composition of CSR Committee is as follows (as on March 31, 2015):

Mr. Sanjay Buch	-	Chairman
Mr. Vinayak Hajare	-	Member
Mr. Krishna Datla	-	Member
Mr. Satish Varma	-	Member

3. Average net profit of the company for last three financial years: ₹714.76 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 14,30,000 i.e. Budgeted amount of ₹ 13,61,874 for implementation of the said CSR activities; and administrative expenditure not exceeding 5% of the CSR expenditure as may be actually incurred in the financial year 2014-2015.
5. Details of CSR spent during the financial year: ₹ 3,06,485
  - (a) Total amount to be spent for the financial year: ₹ 14,30,000
  - (b) Amount unspent, if any: ₹11,23,515\*

\* As on the date of this report, there is no unspent amount, as ₹ 11,23,515 has been contributed to the Prime Minister National Relief Fund.

(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Sector in which the Project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	Contribution to the Prime Minister National Relief Fund as relief measures for floods and landslides experienced in Jammu and Kashmir	Jammu and Kashmir	Contribution to the Prime Minister's National Relief Fund set up by the Central Government	₹ 1,00,000	Direct expenditure on projects	₹ 1,00,000	Direct
2	Supported Personality development training for children at Maa Niketan Orphanage in Thane	Thane	Special education	₹ 61,874	Direct expenditure on projects	₹44,190	Direct
3a	Supported in providing essentials to Maa Niketan orphanage, Divya Prabha orphanage and it's in-mates in Thane	Thane	Sanitation facilities and its related requirements	₹ 2,00,000	Direct expenditure on projects	₹7,214	Direct
3b	Supported infrastructure facilities for Divya Prabha orphanage in Thane	Thane	Support for infrastructure facilities for an orphanage		Direct expenditure on projects	₹1,40,840	Direct
5	Supported sponsorship of SPJ Sadhana School Mumbai (School for students with special needs and challenged)	Mumbai	Special education	₹ 2,00,000	Direct expenditure	₹7,500	Direct
6	Administrative expenses incurred towards CSR			5% of actual CSR expenditure	Overheads	₹6,741	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company has laid down the guidelines for CSR activities in the year 2014-15 by clearly outlining the scope of activities. Based on these guidelines, the Company will gradually upscale its CSR activities by exploring new avenues in order to cater to the growing needs of the communities around the Company's office and facilities and to also meet the specified CSR expenditure. As on date of this report, there is no unspent amount, as ₹ 11,23,515 has been contributed to the Prime Minister National Relief Fund.

7. The Chairman of the CSR Committee has given the responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Krishna Datla  
(Managing Director)

Sanjay Buch  
(Chairman CSR Committee)

Thane, August 14, 2015.

**Annexure: II**

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended 31.03.2015  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT – 9**

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L99999MH1951PLC008485
2	Registration Date	01/05/1951
3	Name of the Company	DIL LIMITED
4	Category / Sub-Category of the Company	Category: Company limited by shares Sub-category: Indian non-government company
5	Address of the Registered office and contact details	DIL Complex, Ghodbunder Road, Majiwada, Thane (West), Maharashtra – 400 610, India Tel.: 022 67980800
6	Whether listed company: Yes / No	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078, Maharashtra, India Tel: 91 22 25946970 Fax: 91 22 25962691 Email: mt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Rental and leasing activities	77	79.15%
2	Treasury operations	66	20.80%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Holding Company:</b>					
1.	DVK Investments Private Limited 'DIL' Complex, Ghodbunder Road, Majiwada, Thane(W), Maharashtra - 400610	U67120MH2003PTC141695	Holding Company	53.91%	Section 2(46)
<b>Direct Subsidiaries:</b>					
2	Aegean Properties Limited 'DIL' Complex, Ghodbunder Road, Majiwada, Thane(W), Maharashtra - 400610	U45200MH1995PLC084766	Subsidiary Company	100%	Section 2(87)
3	CC Square Films Limited 'DIL' Complex, Ghodbunder Road, Majiwada, Thane(W), Maharashtra - 400610	U93000MH2011PLC212089	Subsidiary Company	100%	Section 2(87)
4	Fermenta Biotech Limited (FBL) 'DIL' Complex, Ghodbunder Road, Majiwada, Thane(W), Maharashtra - 400610	U99999MH1986PLC134021	Subsidiary Company	70.15% (refer Note below)	Section 2(87)
<b>Step down Subsidiaries:</b>					
5.	Fermenta Biotech (UK) Limited	Foreign Company	Subsidiary Company [100% subsidiary of FBL]	–	Section 2(87)
6.	G. I. Biotech Private Limited 'DIL' Complex, Ghodbunder Road, Majiwada, Thane(W), Maharashtra - 400610	U24230MH2004PTC148220	Subsidiary Company [62.50% subsidiary of FBL]	–	Section 2(87)
<b>Associate Companies:</b>					
7	Health and Wellness India Private Ltd. Zela Health Clubs, No. 133 & No. 133/1, Residency Road, Bangalore - 560025	U85100KA2008PTC047190	Associate Company	47.15%	Section 2(6)
8	Zela Wellness Private Limited 9th Floor, The Residency, 2, Residency Road, Bangalore – 560025	U74900KA2012PTC063026	Associate Company	49%	Section 2(6)
9	Vasko Glider s.r.o. Kladno, Cyrila Boudy 1444, Post code – 27201, Czech	Foreign Company	Associate Company [Joint Venture company]	50%	Section 2(6)

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,26,106	–	2,26,106	9.86	1,99,085	–	1,99,085	8.68	(1.18)
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	12,36,235	–	12,36,235	53.91	12,36,235	–	12,36,235	53.91	–
e) Banks / FI I)									
f) Any Other									
<b>Sub-total (A) (1)</b>	<b>14,62,341</b>		<b>14,62,341</b>	<b>63.77</b>	<b>14,35,320</b>	–	<b>14,35,320</b>	<b>62.59</b>	<b>(1.18)</b>
<b>(2) Foreign</b>	–	–	–	–	–	–	–	–	–
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2)</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (1+2)</b>	<b>14,62,341</b>		<b>14,62,341</b>	<b>63.77</b>	<b>14,35,320</b>	–	<b>14,35,320</b>	<b>62.59</b>	<b>(1.18)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	10	7	17	0	10	7	17	0	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others :Foreign Bank	–	157	157	0.01	–	157	157	0.01	–
<b>Sub-total (B) (1)</b>	<b>10</b>	<b>164</b>	<b>174</b>	<b>0.01</b>	<b>10</b>	<b>164</b>	<b>174</b>	<b>0.01</b>	<b>–</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
<b>a) Bodies Corp.</b>	83,046	1,167	84,213	3.67	1,00,155	1167	1,01,322	4.42	0.75
i) Indian									
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	459,454	80,310	5,39,764	23.54	4,43,073	77058	5,20,131	22.68	(0.86)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,73,512	-	1,73,512	7.57	2,31,491	0	2,31,491	10.09	2.52
<b>c) Others:</b>									
Clearing member	22,008	-	22,008	0.96	847	-	847	0.04	(0.92)
NRI	3,618	82	3,700	0.16	1,134	82	1216	0.05	(0.11)
Non resident (non repatriable)	7,486	-	7,486	0.32	2,697	-	2697	0.12	(0.20)
<b>Sub-total (B) (2)</b>	<b>7,49,124</b>	<b>81,559</b>	<b>8,30,683</b>	<b>36.22</b>	<b>7,79,397</b>	<b>78,307</b>	<b>8,57,704</b>	<b>37.4</b>	<b>1.18</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B) (2)</b>	<b>7,49,134</b>	<b>81,723</b>	<b>8,30,857</b>	<b>36.23</b>	<b>7,79,407</b>	<b>78,471</b>	<b>8,57,878</b>	<b>37.41</b>	<b>1.18</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	0	-
<b>Grand Total (A+B+C)</b>	<b>22,11,475</b>	<b>817,23</b>	<b>22,93,198</b>	<b>100</b>	<b>22,14,727</b>	<b>78,471</b>	<b>2,29,3198</b>	<b>100</b>	

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the company	% of shares Pledged/encumbered to total shares	
1	DVK Investments Private Limited	12,36,235	53.91	-	12,36,235	53.91	-	-
2	Mr. Krishna Vasantkumar Datla	2,26,106	9.86	-	1,99,085	8.68	-	(1.1784)

**(iii) Change in Promoters' Shareholding:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1	DVK Investments Private Limited				
	At the beginning of the year	12,36,235	53.91		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease:	-	-	12,36,235	53.91
	At the End of the year	12,36,235	53.91	12,36,235	53.91
2	Mr. Krishna Vasantkumar Datla				
	At the beginning of the year	2,26,106	9.86		
	Decrease in Promoters Shareholding during the year due to transfer on 26.03.15	(27021)	(1.18)	1,99,085	8.68
	At the End of the year	1,99,085	8.68	1,99,085	8.68

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.14)/ end of the year (31.03.15)		Date	Increase/ (Decrease)	Reason Purchased(P)/ Transferred(T)	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
1	RAKESH KANTILAL SHAH	85343	3.72	01.04.14				
				08.02.15	(341)	T	85002	3.72
		85002	3.71	31.03.15	-	-	85002	3.71
2	IMRAN S CONTRACTOR	24219	1.06	01.04.14				
		24219	1.06	31.03.15			24219	1.06
3	BP EQUITIES PVT. LTD.	21199	0.92	01.04.14				
				04.04.14	717	P	21916	0.96
				11.04.14	(46)	T	21870	0.95
				18.04.14	(195)	T	21675	0.95
				25.04.14	493	P	22168	0.97
				02.05.14	2015	P	24183	1.05
				09.05.14	189	P	24372	1.06
				16.05.14	30	P	24402	1.06

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.14)/ end of the year (31.03.15)		Date	Increase/ (Decrease)	Reason Purchased(P)/ Transferred(T)	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
				23.05.14	(2)	T	24400	1.06
				30.05.14	(508)	T	23892	1.04
				06.06.14	165	P	24057	1.05
				13.06.14	(735)	T	23322	1.02
				20.06.14	(255)	T	23067	1.01
				30.06.14	(8899)	T	14168	0.62
				04.07.14	699	P	14867	0.65
				11.07.14	(5842)	T	9025	0.39
				18.07.14	34	P	9059	0.40
				25.07.14	247	P	9306	0.41
				08.08.14	1081	P	10387	0.45
				15.08.14	(8977)	T	1410	0.06
				22.08.14	20	P	1430	0.06
				29.08.14	336	P	1766	0.08
				05.09.14	934	P	2700	0.12
				12.09.14	296	P	2996	0.13
				19.09.14	4751	P	7747	0.34
				30.09.14	(1848)	T	5899	0.26
				03.10.14	(249)	T	5650	0.25
				10.10.14	149	P	5799	0.25
				17.10.14	(2197)	T	3602	0.16
				24.10.14	(258)	T	3344	0.15
				14.11.14	(400)	T	2944	0.13
				21.11.14	(100)	T	2844	0.12
				28.11.14	(2399)	T	445	0.02
				12.12.14	3	P	448	0.02
				19.12.14	(45)	T	403	0.12
				31.12.14	(47)	T	356	0.02
				16.01.15	(2)	T	354	0.02
				23.01.15	(18)	T	336	0.01
				06.02.15	(20)	T	316	0.01
				13.02.15	2	P	318	0.01
				27.02.15	(297)	T	21	0.00
				06.03.15	2	P	23	0.00
				13.03.15	10	P	33	0.00
				27.03.15	(10)	T	23	0.00
		23	0.00	31.03.15			23	0.00
4	ANUPAMA DATLA DESAI	17492	0.76	01.04.14				
				27.03.15	9007	P	26499	1.16
		26499	1.16	31.03.15			26499	1.16

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.14)/ end of the year (31.03.15)		Date	Increase/ (Decrease)	Reason Purchased(P)/ Transferred(T)	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company				No. of shares	% of total Shares of the company
5	NAJMUDDIN GULAMHUSEIN KHERAJ	17092	0.75	01.04.14				
				11.04.14	2878	P	19970	0.87
				25.04.14	30	P	20000	0.87
				20.06.14	3000	P	23000	1.00
				30.06.14	(100)	T	22900	0.10
				18.07.14	(2900)	T	20000	0.87
				31.03.15	-	-	20000	0.87
6	ASHMAVIR FINANCIAL CONSULTANTS PVT LTD	15826	0.69	01.04.14				
				11.04.14	(2000)	T	13826	0.60
				10.10.14	300	P	14126	0.62
				17.10.14	1000	P	15126	0.66
				31.03.15	-	-	15126	0.66
7	DOTCH SALES PVT LTD.	15729	0.69	01.04.14				
				11.04.14	(729)	T	15000	0.65
				31.03.15	-	-	15000	0.65
8	RAHAT HASSAN THARANI with IMRAN SHAUKAT CONTRACTOR	11151	0.49	01.04.14				
				31.03.15	-	-	11151	0.49
9	DUPEN LABORATORIES PVT LTD	10364	0.45	01.04.14				
				31.03.15	-	-	10364	0.45
10	MAHAVIR L MEHTA	5500	0.24	01.04.14				
				30.05.14	2500	P	8000	0.35
				11.07.14	5000	P	13000	0.57
				08.08.14	7675	P	20675	0.90
				15.08.14	9000	P	29675	1.29
				10.10.14	500	P	30175	1.32
				16.01.15	(1000)	T	29175	1.27
				23.01.15	(1000)	T	28175	1.23
				06.02.15	(2423)	T	25752	1.12
				27.02.15	(208)	T	25544	1.11
				27.03.15	(486)	T	25058	1.09
				31.03.15	-	-	25058	1.09
				11	PREETI THAKKAR	2050	0.09	01.04.14
27.03.15	9007	P	11057					0.48
31.03.15	-	-	11057					0.48

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Reason Purchased (P) / Transferred (T)	Cumulative Shareholding during the year							
		No. of shares	% of total Shares of the company				No. of shares	% of total Shares of the company						
1.	KRISHNA DATLA	170020	7.41	01.04.14	-	-	170020	7.41						
		170020	7.41	31.03.15										
2.	KRISHNA VASANTKUMAR DATLA with RAJESHWARI DATLA	56086	2.45	01.04.14	(27021)	T	29065	1.27						
		29065	1.27	31.03.15										
3	RAJESHWARI DATLA	18716	0.82	01.04.14	300	P	19016	0.83						
				25.07.14					600	P				
				29.08.14							42	P		
				05.09.14									9007	P
				27.03.15										
31.03.15														

**V. INDEBTEDNESS**

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

(₹ in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	2,546.17	-	-	2,546.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.98	-	-	6.98
Total (i+ii+iii)	2,553.15	-	-	2,553.15
<b>Change in Indebtedness during the financial year</b>				
- Addition	1,012.99	-	-	1,012.99
- Reduction	23.89	-	-	23.89
Net Change	989.10	-	-	989.10
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,535.27	-	-	3,535.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.76	-	-	9.76
Total (i+ii+iii)	3,545.03	-	-	3,545.03

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount
1.	Gross salary	Mr. Krishna Datla	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 54,00,000	₹ 54,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 6,90,319	₹ 6,90,319
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others (Contribution to funds)	₹ 8,06,769	₹ 8,06,769
	Total (A)	₹ 68,97,088	₹ 68,97,088
	Ceiling as per the Act	The total remuneration paid to the Managing Director is within the limits prescribed under the Companies Act, 2013	

### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Mr. G. G. Desai	Mr. Sanjay Buch	Mr. Vinayak Hajare	
	• Fee for attending board / committee meetings	₹1,35,000	₹1,70,000	₹1,50,000	₹4,55,000
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (1)	₹1,35,000	₹1,70,000	₹1,50,000	₹4,55,000
2.	Other Non-Executive Directors	Ms. Rajeshwari Datla	Mr. Satish Varma		
	• Fee for attending board/ committee meetings	₹1,00,000	₹1,55,000		₹2,55,000
	• Commission	-	-		-
	• Others	-	-		-
	Total (2)	₹1,00,000	₹1,55,000		₹2,55,000
	Total (B) = (1+2)				₹7,10,000
	Total Managerial remuneration				
	Ceiling as per the Act	The total fees to Directors payable for attending meeting is within the limits prescribed under Companies Act, 2013			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	₹27,33,733	₹57,51,070	₹84,84,803
		₹28,800	₹39,600	₹68,400
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others	- -	- -	- -
5.	Others (Contribution to Funds)	₹1,91,461	₹4,08,074	₹5,99,535
	Total	₹29,53,994	₹61,98,744	₹91,52,738

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**Form AOC-I**

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

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
1	Name of the subsidiary:	Fermenta Biotech Limited	Agean Properties Limited	CC Square Films Limited	G I Biotech Private Limited	Fermenta Biotech (UK) Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	Pound Sterling £ (Exchange Rate : 1 GBP = 92.9921 INR) for Balance Sheet and 98.4079 INR for Profit and Loss account as on 31.03.2015
4	Share capital	1,770.45	30.00	5.00	1.00	183.60
5	Reserves & surplus	6,091.70	58.76	(7.33)	0.76	(35.52)
6	Total assets	13,845.12	88.90	0.10	8.89	148.07
7	Total Liabilities	5,982.97	0.14	2.44	7.14	1.20
8	Investments	186.62	-	-	-	-
9	Turnover	12,931.10	18.09	-	-	-
10	Profit before taxation	189.40	2.67	(1.63)	(1.11)	(4.39)
11	Provision for taxation	(156.80)	(3.92)	-	(0.04)	-
12	Profit after taxation	32.60	(1.25)	(1.63)	(1.07)	(4.39)
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	70.15%	100%	100%	62.50% subsidiary of FBL	100% subsidiary of FBL

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

Name of Associates	Health and Wellness India Private Limited	Zela Wellness Private Limited	–
Name of Joint Ventures	–	–	Vasko Glider s.r.o.
1. Latest audited Balance Sheet Date	31.3.2015	31.3.2015	31.3.2015
2. Shares of Associate/Joint Ventures held by the company on the year end			
Number	30,12,504 Equity shares	19,600 Equity Shares	N.A.
Amount of Investment in Associates/Joint Venture	475.00	50.00	188.51
Extend of Holding %	47.15%	49%	50%
3. Description of how there is significant influence	–	–	–
4. Reason why the associate/joint venture is not consolidated	Being an Associate share of Profit & Loss accounts is consolidated	Being an Associate share of Profit & Loss accounts is consolidated	Being a Joint Venture entity share of Profit and Loss Account and assets and liabilities are consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	–	–	–
6. Profit / Loss for the year	(120.88)	(82.66)	–
• Considered in Consolidation	(41.70)	–	–
• Not considered in Consolidation	–	–	–

## CORPORATE GOVERNANCE REPORT (Annexure III)

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

### BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors with a woman director as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. The Chairman of the Board is an Independent Director.

The Composition of the Board as on March 31, 2015 is as follows:

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

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

\*\* Represents Memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee across all companies, including DIL Limited.

\*\*\* Mr. Krishna Datla is one of the Promoters of the Company. Ms. Rajeshwari Datla is a relative of Mr. Krishna Datla as per the provisions of section 2(77) of the Companies Act, 2013.

# Appointed as a Chairman with effect from February 14, 2015

**Note:** Mr G. G. Desai retired as Chairman and Director with effect from February 14, 2015.

## **BRIEF PROFILE OF DIRECTORS BEING RE-APPOINTED, AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT AND SECRETARIAL STANDARD ON GENERAL MEETINGS SPECIFIED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT:**

### **1) MR. KRISHNA DATLA**

Managing Director

Mr. Krishna Datla aged about 35 years, a Commerce Graduate from Mumbai University, has played a key role in the decision making process and also oversees new businesses of the Company. Mr. Krishna Datla, is also the Promoter Director of Fermenta Biotech Limited (FBL), subsidiary company of DIL Limited. Credited with the integration of businesses across the various group companies, Mr. Krishna Datla has infused a strong sense of global vision thereby opening the opportunities across International markets.

Mr. Krishna Datla was first appointed on the Board of the Company on 29/01/2005. Mr. Krishna Datla is also acting as Director on the Board of Fermenta Biotech Limited, Aegean Properties Limited, CC Square Films Limited, DVK Investments Private Limited, G I Biotech Private Limited, V M Cafe De Art Private Limited and Magnolia FNB Private Limited.

Mr. Krishna Datla is a member of the Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Investment Committee of DIL Limited. He is also a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of Fermenta Biotech Limited (a subsidiary of DIL Limited).

Details of remuneration sought to be paid and the remuneration last drawn by Mr. Krishna Datla is provided on page nos. 11 & 44 of Annual Report. Mr. Krishna Datla holds 199085 equity shares (8.68%) of the Company.

### **2) MR. SATISH VARMA**

Non-Executive Director

Mr. Satish Varma, aged about 45 years, educational background in computer science, joined the DIL group as the Executive Assistant to the then Managing Director in 1995. In this role, Mr. Satish Varma garnered extensive operational, management and legal experience across the full scope of the DIL group of Companies. Highly enterprising and analytical, Mr. Varma has successfully led the charge on various important projects

Mr. Satish Varma was first appointed on the Board of the Company on 01/07/2003.

Mr. Satish Varma is also acting as Director on the Board of Fermenta Biotech Limited [Managing Director], Aegean Properties Limited, CC Square Films Limited, DVK Investments Private Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, V M Cafe De Art Private Limited and Pelican Wealth Managers Private Limited.

Mr. Satish Varma is a member of the Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Investment Committee of DIL Limited. He is also a member of Stakeholders Relationship Committee of Fermenta Biotech Limited (a subsidiary of DIL Limited).

Details of sitting fees paid to Mr. Satish Varma is provided on page no. 44 of Annual Report. Mr. Satish Varma is not holding any shares of the Company.

## **BOARD MEETINGS / PREVIOUS ANNUAL GENERAL MEETING**

- During the financial year under review, five Board Meetings were held on May 30, 2014, August 12, 2014, September 24, 2014, November 14, 2014 and February 13, 2015. The maximum gap between any two board meetings was less than four months / 120 days, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.

Attendance at the five Board meetings and previous Annual General Meeting (AGM) held on September 24, 2014 is as follows:

Name	Board Meetings attended	Attendance at Previous AGM
Mr. G. G. Desai (Retired on 14/02/2015)	4	Yes
Mr. Sanjay Buch (Appointed as Chairman w.e.f. 14/02/2015)	5	Yes
Ms. Rajeshwari Datla	4	Yes
Mr. Satish Varma	5	Yes
Mr. Krishna Datla	5	Yes
Mr. Vinayak Hajare*	5	Yes

\* Mr. Vinayak Hajare attended the Board Meetings held on May 30, 2014 and February 13, 2015 via teleconference.

### AUDIT COMMITTEE

- The composition of the Audit Committee as on March 31, 2015 and the attendance of the Audit Committee members at the Committee meetings held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. G. G. Desai	Chairman (Retired on February 14, 2015)	4
Mr. Sanjay Buch	Chairman (Appointed as Chairman w.e.f. February 14, 2015)	5
Ms. Rajeshwari Datla	Member	4
Mr. Vinayak Hajare *	Member	5
Mr. Satish Varma	Member (Till February 13, 2015)	5

\* Mr. Vinayak Hajare attended the Audit Committee Meetings held on May 30, 2014 and February 13, 2015 via teleconference.

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

During the year under review, five Audit Committee meetings were held on May 30, 2014, August 12, 2014, September 24, 2014, November 14, 2014 and February 13, 2015. The representatives of the Auditor(s) and Chief Financial Officer also attended the Audit Committee meeting(s).

The Company Secretary acts as the Secretary to the Audit Committee.

- Terms of reference:**

The Powers, role and functions of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and Clause 49 III (C), (D) and (E) of the Listing Agreement, which, inter alia include the following :

- Review company's financial reporting process and accounting policies and practices;

2. Review and recommend to the Board, appointment, re-appointment and removal of Statutory and Internal Auditors and fixation of audit and other fees, including terms of appointment;
3. Review with management, quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval;
4. Review adequacy of internal control systems (including internal financial controls), risk management systems and internal audit function;
5. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
6. Review reports and significant findings, if any, of the Internal and Statutory Auditor and to ensure that suitable follow-up action is taken;
7. Discussion with Statutory Auditors and Internal Auditors about nature and scope of audit and areas of concern;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. Examination of disclosure aspects of related party transactions and approval or any subsequent modification of transactions of the company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Ensure compliance with Listing Agreement and other legal requirements relating to financial statements;
14. Review of financial statements of subsidiary companies, joint venture and associate companies;
15. Review substantial defaults in payments to stakeholders and creditors;
16. Review the functioning of the vigil mechanism;
17. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
18. Any other functions as may be statutorily required.

#### **NOMINATION AND REMUNERATION COMMITTEE**

- The nomenclature of the Remuneration Committee has been changed to Nomination and Remuneration Committee with effect from May 30, 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.
- During the year under review three Committee meetings were held on May 30, 2014, August 12, 2014 and February 13, 2015.
- The Composition of the said Committee as on March 31, 2015 and the attendance of the Committee members in its meeting held during the financial year under review is as follows:

<b>Name of the Director</b>	<b>Designation</b>
Mr. G. G. Desai	Chairman (Retired on February 14, 2015)
Mr. Vinayak Hajare	Chairman (Appointed as Chairman w.e.f. February 14, 2015)
Mr. Sanjay Buch	Member
Mr. Satish Varma	Member (Appointed as Member w.e.f. February 14, 2015)

The Company Secretary acts as the Secretary to the Committee.

• **Terms of reference:**

The terms of reference include:-

- a. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- b. Carry out evaluation of every director's performance.
- c. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- d. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, pursuant to the provisions of the Companies Act, 2013 and rules thereunder and the Listing Agreement.
- e. Any other terms of reference, role, responsibility and powers as may be prescribed from time to time (i) under the Companies Act, 2013 and rules made thereunder and the Listing Agreement; and/or (ii) by the Board of Directors of the Company.

During the year under review, the Board of Directors has formulated and adopted Nomination and Remuneration policy of the Company ('Remuneration Policy'). The Remuneration Policy lays down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Senior management of the Company. The details of Remuneration Policy are explained in the Directors' report and the said policy can be viewed at <http://www.dil.net/Company-Policies.html>.

The Non-Executive Directors receive sitting fees for attending the meetings of Board of Directors and its Committees (i.e. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee).

• **Details of remuneration of Directors for the financial year ended March 31, 2015 are as follows:**

Name of Director	Sitting Fees *	Salary	Contribution to PF and other funds	Benefits & Perquisites	Total	No. of Shares held
	(₹)	(₹)	(₹)	(₹)	(₹)	
Mr. G. G. Desai Independent Director	1,35,000	—	—	—	1,35,000	NIL
Mr. Sanjay Buch Independent Director	1,70,000	—	—	—	1,70,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	1,00,000	—	—	—	1,00,000	28,665
Mr. Vinayak Hajare Independent Director	1,50,000	—	—	—	1,50,000	NIL
Mr. Krishna Datla ** Managing Director	—	48,00,000	8,06,769	12,90,319	68,97,088	1,99,085
Mr. Satish Varma Non-Executive Director	1,55,000	—	—	—	1,55,000	NIL
<b>TOTAL</b>	<b>7,10,000</b>	<b>48,00,000</b>	<b>8,06,769</b>	<b>12,90,319</b>	<b>76,07,088</b>	<b>2,27,750</b>

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

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

The Company has not granted any Stock Option to any Director and except as otherwise provided in this report there has been no material relevant pecuniary transaction or relationship between the Company and its Non-Executive / Independent Directors during the year under review.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

- The nomenclature of the Shareholders’/Investors’ Grievance Committee has been changed to Stakeholders Relationship Committee (‘Committee’) with effect from May 30, 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.
- During the year under review four Stakeholders Relationship Committee meetings were held on May 30, 2014, August 12, 2014, November 14, 2014 and February 13, 2015. The composition of the Committee as on March 31, 2015 and the attendance at the said Committee meeting is as follows:

Name of the Director	Designation	Meetings attended
Mr. G.G. Desai	Chairman (Retired on February 14, 2015	3
Mr. Sanjay Buch	Chairman (Appointed as Chairman w.e.f. February 14, 2015)	4
Mr. Krishna Datla	Member	4
Mr. Satish Varma	Member	4
Mr. Vinayak Hajare	Member (appointed w.e.f. February 14, 2015)	NA

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

• **Terms of Reference:**

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

- i) Redressal of Shareholders’ grievances.
  - ii) Issue of duplicate Share Certificates.
  - iii) Review of Dematerialised shares.
  - iv) Transfer and Transmission of shares.
  - v) Other matters related to shares and/or investor grievances.
- Name and designation of Compliance Officer : Mr. Srikant N. Sharma - Company Secretary.  
Investor Helpdesk:  
Mr. Srikant Sharma  
DIL Limited , ‘DIL’ Complex, Ghodbunder Road, Majiwada, Thane (W) – 400610, Maharashtra, India.  
Tel No.: +91-22-67980800 Fax+91-22-67980899  
e-mail: srikant.sharma@dil.net
  - The number of investor complaints received and resolved during 2014-2015 were 23.
  - Pending complaints as on March 31, 2015 were nil.

## GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Special Resolution(s) passed
2011-2012	September 28, 2012 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	No Special Resolution was passed.
2012-2013	September 27, 2013 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	Payment of remuneration to Mr. Krishna Datla, Managing Director of the Company in case of absence or inadequacy of profits
2013-2014	September 24, 2014 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	No Special Resolution was passed.

## Postal Ballot

No special resolution was passed by way of Postal Ballot during the financial year ended March 31, 2015.

## DISCLOSURES

- In line with the requirement of the Clause 49 of the Listing Agreement, the Company had appointed a reputed consultancy firm to do a complete review of the potent risks areas to the Company and to devise systems for review and implementation. Based on the system and procedures devised, the risk management reports are periodically placed before the Audit Committee and Board of Directors for review.
- During the year under review there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries, joint venture and associate companies or relatives etc. that may have potential conflict with the interests of the Company at large. Suitable disclosure as required under the Accounting Standard (AS-18) has been made in the Annual Report.
- During the last three years, there were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) 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 and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2015. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- The Board of Directors has adopted a Whistle Blower Policy / Vigil Mechanism with effect from May 30, 2014 for Directors and employees of the Company to report instances of unethical behavior, actual or suspected, fraud or violation of Code of Conduct of the Company or other similar genuine concern or grievances details of Vigil Mechanism are displayed on Company's website ([www.dil.net](http://www.dil.net)).
- The Company has adopted Policy for determining material subsidiary and Related Party Transaction Policy as required by revised clause 49 of the listing agreement. These policies are uploaded on the website of the Company can be viewed at <http://www.dil.net/Company-Policies.html>

- **Reconciliation of Share Capital Audit**

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

- **Compliance with Mandatory Requirements**

The Company has complied with all the mandatory requirements, as applicable, of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.

- **Compliance with Non-Mandatory Requirements**

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

- **Non-Executive Chairman’s Office:** Chairman’s office and position is separate from that of the Managing Director
- **Audit Qualifications:** The Company’s financial statement for the year ended March 31, 2015 does not contain any audit qualification.

- **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

- **Shareholder’s Rights:**

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

## MEANS OF COMMUNICATION

- The Quarterly and Annual results, published in the proforma prescribed under the Listing Agreement, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within the prescribed time limit. The approved results are forthwith sent to the Bombay Stock Exchange Limited where the Company’s shares are listed.
- Newspapers wherein quarterly results are published : Business Standard (English) & Sakal (Marathi)
- Any website, where displayed : Yes, BSE website [www.bseindia.com](http://www.bseindia.com) and the company’s website [www.dil.net](http://www.dil.net)
- Corpfiling : Information to the Stock Exchange has also been filed through corp-filing. Investors can view this information by visiting the website [www.corpfiling.co.in](http://www.corpfiling.co.in)
- Online filing with BSE Corporate Compliance & Listing Centre : All periodical compliances of the Company as per listing agreement with

Stock Exchange are also being filed online with the BSE Corporate Compliance & Listing Centre.

- SEBI Complaints Redress System (SCORES) : The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralised web based complaints redress system of SEBI (SCORES). The salient features of this system is centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status.
- Whether it also displays official news releases and presentations made to institutional investors or to analysts : Not Applicable
- Management discussion and analysis report (MD&A) is a part of the Annual report or not : MD&A Report forms part of the Annual Report.

#### GENERAL SHAREHOLDER INFORMATION

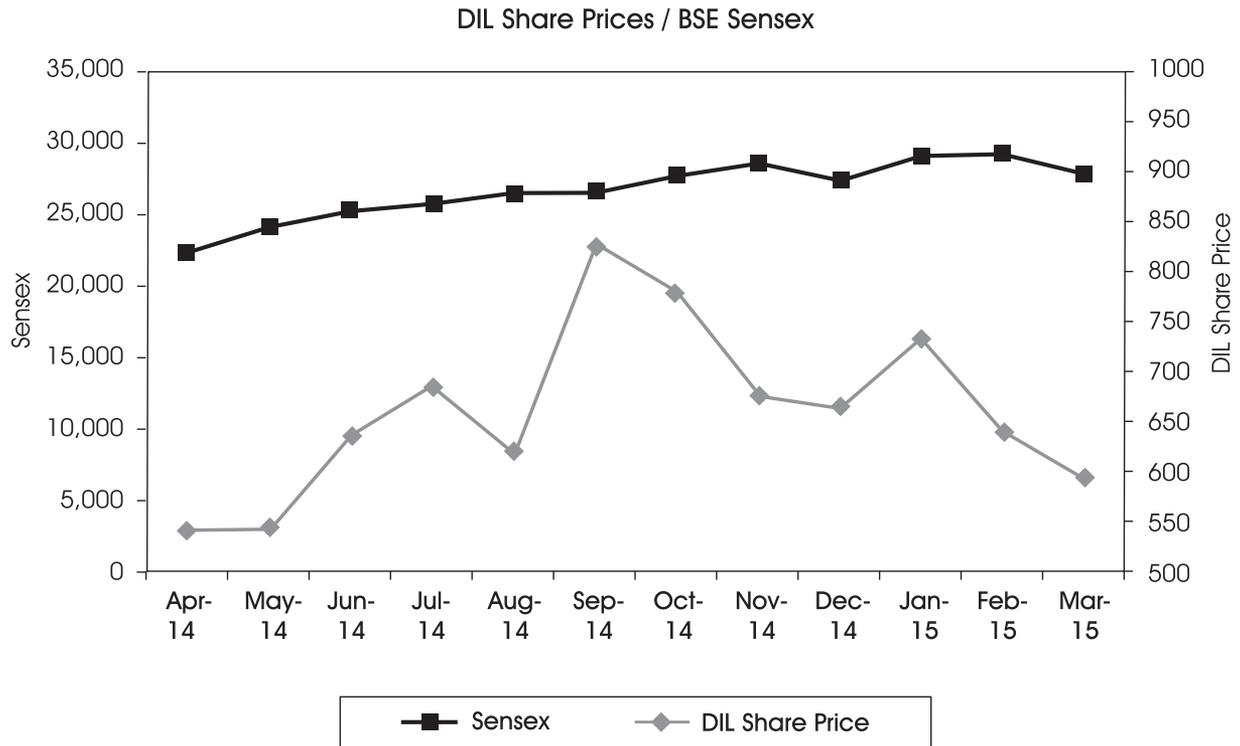
- Annual General Meeting : Wednesday, September 30, 2015 at 3.00 p.m. at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W), 400610.
- Financial Year : April 1 to March 31
  - Financial reporting for the quarter ending June 30, 2015 : By August 14, 2015
  - Financial reporting for the quarter ending September 30, 2015 : By November 14, 2015
  - Financial reporting for the quarter ending December 31, 2015 : By February 14, 2016
  - Financial reporting for the year ending March 31, 2016 : By May 30, 2016
- Date of Book closure : Thursday, September 24, 2015 to Wednesday, September 30, 2015 (Both days inclusive)
- Dividend Payment Date : Final dividend (2014-2015) of ₹ 5.00 per equity share (50%) of ₹ 10 each, if declared at this AGM, shall be paid on or after October 5, 2015
- Listing on Stock Exchanges : Bombay Stock Exchange Limited (Listing Fees for the year 2015-16 has been paid)
- Scrip Code on the Bombay Stock Exchange Limited : 506414
- Market Price Data : High / low of the Company's stock price during each month in the financial year ended March 31, 2015.

Month	DIL Limited	
	High (₹)	Low (₹)
April 2014	574.95	485.00
May 2014	602.95	470.30
June 2014	650.00	500.00
July 2014	749.90	621.50
August 2014	709.00	559.05
September 2014	900.00	588.00
October 2014	879.95	767.00
November 2014	800.00	660.05
December 2014	715.00	616.00
January 2015	780.00	631.00
February 2015	849.75	634.00
March 2015	685.00	570.00

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

Month	Company's Closing Price (₹)	Sensex Closing Price (₹)	No. of shares of the Company traded
April 2014	542.00	22,417.80	15,330
May 2014	542.30	24,217.34	15,593
June 2014	638.65	25,413.78	20,620
July 2014	687.60	25,894.97	15,314
August 2014	618.70	26,638.11	20,894
September 2014	831.00	26,630.51	55,358
October 2014	781.50	27,865.83	7,265
November 2014	678.10	28,693.99	4,715
December 2014	663.00	27,499.42	10,759
January 2015	735.50	29,182.95	15,586
February 2015	641.25	29,361.50	25,429
March 2015	595.00	27,957.49	7,618

- DIL Limited’s Share Price Movement / BSE Sensex



- Registrar and Transfer Agents : Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai – 400 078.  
Maharashtra, India.  
Tel No : +91 22 2594 6970

- **Share Transfer System:**

Shares are normally transferred within a period of 15 days from the date of receipt, provided the documentation is in order. In order to expedite the process of share transfers, the Board of Directors has delegated the powers of share transfer and/ or related matters to Mr. Sanjay Buch, Chairman of the Stakeholders Relationship Committee and/ or Mr. Vinayak Hajare, Member of the Stakeholders Relationship Committee and/or Mr. Srikant Sharma, Company Secretary, who attends the share transfer formalities at least once in a fortnight. The meeting of Stakeholders Relationship Committee is also held once in every three months. All transfers of shares in physical mode are registered and approved by authorised signatories of the Company

- Distribution of the Company's Equity shareholding as on March 31, 2015

Sr. No.	Range in no. of shares	Holding (No. of shares)	Amount (₹)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	3,08,061	30,80,610	13.44	4475	95.97
2	501 - 1000	69,306	6,93,060	3.02	95	2.04
3	1001 - 2000	62,064	6,20,640	2.70	43	0.92
4	2001 - 3000	35,483	3,54,830	1.55	14	0.30
5	3001 - 4000	20,114	2,01,140	0.88	6	0.13
6	4001 - 5000	35,682	3,56,820	1.56	8	0.17
7	5001 - 10000	55,187	5,51,870	2.40	8	0.17
8	10001 and above	17,07,301	1,70,73,010	74.45	14	0.30
	<b>Total</b>	<b>22,93,198</b>	<b>2,29,31,980</b>	<b>100</b>	<b>4663</b>	<b>100</b>

- Equity Shareholding Pattern as on March 31, 2015

	Shareholding (no. of Shares)	% of Holding
Promoters	14,35,320	62.59
Foreign Banks & NRI's	4,070	0.18
Banks and Financial Institutions	17	0.00
Other Bodies Corporate	1,01,322	4.42
General Public	7,51,622	32.77
Clearing Members	847	0.04
<b>TOTAL</b>	<b>22,93,198</b>	<b>100</b>

- **Dematerialisation of Shares:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with both the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. respectively. The shares of the Company are compulsorily traded in the dematerialized form in the Stock Exchanges. Presently 96.58% of the equity shares of the Company have been dematerialized.

- **Address for Correspondence :**

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

Tel No : +91 22 2594 6970

Fax No : +91 22 2594 6969

Email : [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

DIL LIMITED

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

Tel No : +91 22 6798 0888

Fax No : +91 22 6798 0899

Email : [srikant.sharma@dil.net](mailto:srikant.sharma@dil.net)

For and on behalf of the Board of Directors

Registered Office :

'DIL' Complex, Ghodbunder Road,  
 Majiwada, Thane (W) - 400 610, Maharashtra, India.  
 August 14, 2015.

Sanjay Buch  
 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, 2015.

for DIL LIMITED

Thane  
August 14, 2015.

**KRISHNA DATLA**  
Managing Director

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015, UNDER CLAUSE 49 OF THE LISTING AGREEMENT

#### To The Members of DIL Limited

We have examined the compliance of the conditions of Corporate Governance by DIL Limited ('the Company') for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

**V N DEODHAR**

PROPRIETOR

FCS: 1880

CP: 898

Thane, August 14, 2015.

**Annexure: IV****SECRETARIAL AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015**

To

The Members  
DIL LIMITED  
'DIL' Complex,  
Ghodbunder Road, Majiwada,  
Thane (W)-400610.

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

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.

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

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

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

Thane  
14th August, 2015.

## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT

To,  
The Members,  
DIL LIMITED  
'DIL' Complex,  
Ghodbunder Road, Majiwada,  
Thane (W)-400 610.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Thane  
14th August, 2015.

## Independent Auditor's Report

To  
The Members of DIL Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of DIL Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### **For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E

### **per Vikram Mehta**

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 29, 2015.

Annexure referred to our report of even date

Re: DIL Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The nature of the business of the company is such that it does not have inventory in tangible form. Accordingly, the requirements under paragraph 4 (ii) of the order are not applicable to the Company.
- (iii) (a) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (b) There is no overdue amount more than rupees one lakh of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. The provision relating to Investor education and protection are not applicable to the company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax and cess that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act	Sales Tax	99.67 (99.67)	1995-1996	High Court, Bombay
The Gujarat Sales Tax Act	Sales Tax and Penalty	4.63 (1.20)	1992 to 1994	Sales Tax Appellate Tribunal
Central Excise Act, 1944	Service tax and Penalty	22.50 (3.75)	2000-2001	High Court, Bombay

(Figures in brackets are the amount paid by the Company under protest)

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) 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.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E

**per Vikram Mehta**

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 29, 2015.

**BALANCE SHEET AS AT MARCH 31, 2015**

	Notes	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	229.32	229.32
Reserves and surplus	4	9,017.43	9,082.57
		<u>9,246.75</u>	<u>9,311.89</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	10.95	1,522.93
Deferred tax liability (net)	6	7.62	20.54
Other long-term liabilities	7	365.67	455.21
Long-term provisions	8	31.43	29.42
		<u>415.67</u>	<u>2,028.10</u>
<b>Current liabilities</b>			
Trade payables	9	90.40	76.36
Other current liabilities	9	4,413.29	1,611.11
Short-term provisions	8	154.19	81.99
		<u>4,657.88</u>	<u>1,769.46</u>
<b>TOTAL</b>		<u><b>14,320.30</b></u>	<u><b>13,109.45</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	671.62	777.47
Intangible assets	11	4.28	2.42
Capital work-in-progress		6,298.35	3,401.70
		<u>6,974.25</u>	<u>4,181.59</u>
Non-current investments	12	3,704.62	3,567.87
Long-term loans and advances	13	486.06	629.71
Other non-current assets	14.2	-	2.80
		<u>4,190.68</u>	<u>4,200.38</u>
<b>Current assets</b>			
Current investments	15	300.00	300.00
Inventories	16	45.06	45.06
Trade receivables	14.1	16.93	37.56
Cash and bank balances	17	1,615.14	3,538.84
Short-term loans and advances	13	1,013.80	683.85
Other current assets	14.2	164.44	122.17
		<u>3,155.37</u>	<u>4,727.48</u>
<b>TOTAL</b>		<u><b>14,320.30</b></u>	<u><b>13,109.45</b></u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta  
Partner  
Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH  
Chairman

KRISHNA DATLA  
Managing Director

RAJESHWARI DATLA  
Director

SATISH VARMA  
Director

VINAYAK HAJARE  
Director

K. H. KASHID  
Chief Financial Officer

SRIKANT N. SHARMA  
Company Secretary

Thane  
Date: May 29, 2015.

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Notes	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>INCOME:</b>			
Revenue from operations	18	1,351.53	1,519.44
Other income	19.1	0.86	2.47
<b>Total revenue (I)</b>		<b>1,352.39</b>	<b>1,521.91</b>
<b>EXPENSES:</b>			
Employee benefits expense	20	464.40	435.83
Other expenses	21	598.39	654.80
<b>Total (II)</b>		<b>1,062.79</b>	<b>1,090.63</b>
<b>Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)</b>		<b>289.60</b>	431.28
Depreciation and amortization expense	22	181.63	224.57
Interest income	19.2	–	(4.73)
Finance costs	23	2.87	4.90
<b>Profit before tax</b>		<b>105.10</b>	206.54
<b>Tax expense:</b>			
Current tax		45.16	77.51
Provision for tax in respect of earlier years written (off)/back		–	(13.20)
Deferred tax charge		(12.92)	0.07
<b>Total tax expense</b>		<b>32.24</b>	64.38
<b>Profit for the year</b>		<b>72.86</b>	142.16
<b>Earnings per equity share</b>			
<b>[nominal value of share ₹10/-]</b>			
Basic / Diluted (₹)	24	3.18	6.20
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta  
Partner

Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH  
Chairman

SATISH VARMA  
Director

K. H. KASHID  
Chief Financial Officer

Thane  
Date: May 29, 2015.

KRISHNA DATLA  
Managing Director

VINAYAK HAJARE  
Director

SRIKANT N. SHARMA  
Company Secretary

RAJESHWARI DATLA  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	105.10	206.54
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and amortization expense	181.63	224.57
(Profit) on sale of fixed assets (net)	-	(1.45)
Loss on deletion of fixed assets	-	0.06
Interest expenses	2.87	4.90
Interest on Income tax refund	-	(4.73)
<b>Operating profit before working capital changes</b>	<b>289.60</b>	<b>429.89</b>
Movements in working capital :		
Increase/(decrease) in trade payables	14.04	3.48
Increase/(decrease) in long-term provisions	2.01	2.98
Increase/(decrease) in short-term provisions	1.27	0.81
Increase/(decrease) in other current liabilities	609.09	(14.87)
Increase/(decrease) in other long-term liabilities	(421.25)	-
Decrease/(increase) in trade receivables	20.63	19.35
Decrease/(increase) in long-term loans and advances	(2.65)	240.04
Decrease/(increase) in short-term loans and advances	(219.78)	186.73
(Increase)/decrease in other current assets	(42.27)	84.88
(Increase)/decrease in other non-current assets	2.80	21.49
(Increase)/decrease in non-current investments	(136.75)	(565.76)
(Increase)/decrease in current investments	-	(95.00)
Cash generation from operations	116.74	314.02
Direct taxes paid (net of refunds)	(155.33)	(122.82)
Net cash flow from operating activities	(A) <b>(38.59)</b>	<b>191.20</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances	(2,805.54)	(1,993.16)
Proceeds from sale of fixed assets	-	1.44
Investments in bank deposits (having original maturity of more than three months)	(1,395.69)	(3,126.65)
Proceeds of bank deposits matured (having original maturity of more than three months)	3,089.94	3,088.86
Net cash flow (used in) investing activities	(B) <b>(1,111.29)</b>	<b>(2,029.51)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

### CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	1,012.99	2,509.23
Repayment of long-term borrowings	(23.89)	(21.98)
Interest paid	(2.87)	(4.90)
Dividend paid on equity shares	(56.06)	(339.79)
Tax on equity dividend paid	(9.74)	(58.46)
Net cash flow from/ (used in) in financing activities	(C) <u>920.43</u>	<u>2,084.10</u>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) (229.45)</b>	245.79
Cash and cash equivalents at the beginning of the year	<u>448.90</u>	<u>203.11</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>219.45</u></b>	<b><u>448.90</u></b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2.59	6.20
Cheque(s) on hand	20.47	
With scheduled banks on:		
Current account	155.99	404.55
Unclaimed dividend account*	30.24	28.97
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s. Czech Republic	10.16	9.18
<b>Total cash and cash equivalents (Refer Note 17)</b>	<b><u>219.45</u></b>	<b><u>448.90</u></b>

#### Note

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

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date

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

per Vikram Mehta  
Partner

Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH  
Chairman

SATISH VARMA  
Director

K. H. KASHID  
Chief Financial Officer

Thane  
Date: May 29, 2015.

KRISHNA DATLA  
Managing Director

VINAYAK HAJARE  
Director

SRIKANT N. SHARMA  
Company Secretary

RAJESHWARI DATLA  
Director

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. Corporate information

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

### 2. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

#### 2.1 Summary of significant accounting policies

##### a) Use of estimates

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

##### (b) Tangible fixed assets

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

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

##### (c) Depreciation on tangible fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

	Estimated useful life (in years)
Building	
On freehold land	3.25 - 58
Leased improvements	30
Plant & Machinery	15
Computers	3
Furniture & Fixtures	6
Vehicles	8

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the company for the current year.

### (d) Intangible Assets

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

### (e) Impairment of tangible and intangible asset

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

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

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

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

### (f) Investments

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### g) Inventories

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

### (h) Retirement and other employee benefit

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

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

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

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

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

### (i) Revenue recognition

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

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

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

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

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

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

Company provides Infrastructure support services (Refer note 18) as per contractual obligation and the income from such services are recognised on proportionate basis as and when the services are

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

### (j) Foreign currency transactions

#### Initial recognition

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

#### Conversion

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

#### Exchange difference

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

### (k) Leases

#### As Lessee

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

#### As Lessor

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

### (l) Income taxes

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

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

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

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

### **(m) Provisions**

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

### **(n) Contingent liabilities**

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

### **(o) Earnings per share**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### (p) Cash and cash equivalents

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

### (q) Segment Reporting

#### Identification of segments :

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

#### Allocation of common costs :

Common costs are treated as unallocable costs.

#### Unallocated items :

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

#### Segment Policies :

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

### (r) Measurement of EBITDA

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

### (s) Borrowing costs

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 3 - SHARE CAPITAL:</b>		
<b>Authorised Shares:</b>		
49,20,000 (March 31, 2014 - 49,20,000) Equity shares of ₹10/- each	492.00	492.00
80,000 (March 31, 2014 - 80,000) Unclassified shares of ₹10/- each	8.00	8.00
	<u>500.00</u>	<u>500.00</u>
<b>Issued, Subscribed and fully paid up shares:</b>		
22,93,198 (March 31, 2014 - 22,93,198) Equity shares of ₹10/- each.	229.32	229.32
	<u>229.32</u>	<u>229.32</u>

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

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

**b) Terms/rights attached to equity shares**

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

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹5/- (March 31, 2014: ₹10/-)

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

**c) Shares held by holding company**

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

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31, 2014 - 12,36,235) equity shares of ₹10/- each fully paid	123.62	123.62

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

Name of the shareholder Equity shares of ₹10/- each fully paid,	March 31, 2015		March 31, 2014	
	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91 %
Mr. Krishna Datla	1.99	8.68%	2.26	9.86 %

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 4 - RESERVES AND SURPLUS:</b>		
<b>Capital Reserve:</b>	<b>1,140.00</b>	1,140.00
<b>General Reserve:</b>		
Balance as per last financial statements	4,171.15	4,156.15
Add: Amount transferred from surplus balance in the statement of profit and loss	-	15.00
<b>Closing Balance</b>	<b>4,171.15</b>	4,171.15
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	3,771.42	3,912.55
Profit for the year	72.86	142.16
Less: Appropriations		
Interim equity dividend [amount per share ₹Nil (March 31, 2014: ₹7.50/-)]	-	(171.99)
Tax on Interim equity dividend	-	(29.23)
Proposed final equity dividend [amount per share ₹5/- (March 31, 2014: ₹2.50)]	(114.66)	(57.33)
Tax on proposed equity dividend	(23.34)	(9.74)
Transfer to general reserve	-	(15.00)
Total appropriations	(138.00)	(283.29)
<b>Net surplus in the statement of profit and loss</b>	<b>3,706.28</b>	3,771.42
Total Reserves and surplus	<b>9,017.43</b>	9,082.57

	Non current		Current	
	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 5 - LONG-TERM BORROWINGS:</b>				
From Bank (Secured Term Loan) for Thane One	-	1,509.23	<b>3,509.23</b>	1,000.00
Vehicle loan from banks (secured)	<b>10.95</b>	13.70	<b>15.09</b>	23.24
Amount disclosed under the head "other current liabilities" (Refer Note 9)	-	-	<b>(3,524.32)</b>	(1,023.24)
Net amount	<b>10.95</b>	1,522.93	-	-

Vehicle loans from banks were taken during the financial year 2010-11 to 2014-15 and carries interest ranging between @ 8.20% to 12.76% p.a. The loan is repayable in 36 / 60 monthly installments including interest. The loan is secured by hypothecation of vehicles.

Term loans for Thane One Building at Majiwade Thane is taken from Union Bank of India with interest rates (BR + 4.25%) 14.25% repayable in 12 months starting March 31, 2015 in four instalments on quarterly basis. The said term loans are secured by way of first charge on Equitable Mortgage of Land and Constructions there on. Further, the loan has been guaranteed by the personal guarantee of the managing director of the company and the holding company.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 6 - DEFERRED TAX LIABILITY (NET):</b>		
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	31.18	37.91
Others	-	5.13
Gross deferred tax liability	<u>31.18</u>	<u>43.04</u>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	15.45	14.39
Provision for doubtful debts and advances	8.11	8.11
Gross deferred tax asset	<u>23.56</u>	<u>22.50</u>
Net deferred tax liability	<u>7.62</u>	<u>20.54</u>

	Non current		Current	
	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 7 - OTHER LONG-TERM LIABILITIES</b>				
Liability for capital expenditure	112.95	46.23	106.11	150.39
Deposits from tenants	252.72	408.98	64.11	76.77
Amount disclosed under "other current liabilities" (Refer note 9)			(170.22)	(227.16)
	<u>365.67</u>	<u>455.21</u>	<u>-</u>	<u>-</u>

	Long Term		Short Term	
	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 8 - PROVISIONS:</b>				
<b>Provision for employee benefits</b>				
Long term compensated absences	31.43	29.42	16.19	14.92
	<u>31.43</u>	<u>29.42</u>	<u>16.19</u>	<u>14.92</u>
<b>Other provisions</b>				
Proposed dividend	-	-	114.66	57.33
Provision for tax on proposed equity dividend	-	-	23.34	9.74
	-	-	138.00	67.07
	<u>31.43</u>	<u>29.42</u>	<u>154.19</u>	<u>81.99</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 9 - CURRENT LIABILITIES:</b>		
<b>Trade payables</b>	<b>90.40</b>	76.36
(refer note below for details of dues to micro and small enterprises)		
<b>Other current liabilities:</b>		
Payable to subsidiary company - Fermenta Biotech Ltd.	1.34	0.40
Current maturities of long-term borrowings (Refer Note 5)	3,524.32	1,023.24
Current maturities of deposits from tenants (Refer Note 7)	64.11	76.77
Investor Education and Protection Fund will be credited by the following amount (as and when due)		
Unclaimed dividends	30.24	28.97
Others		
Statutory dues	21.53	19.84
Liability for capital expenditure	106.11	150.39
Others	665.64	311.50
	<b>4,413.29</b>	1,611.11
	<b>4,503.69</b>	1,687.47

**Note:**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 10 - TANGIBLE ASSETS:

₹ in Lakhs

	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
<b>Cost</b>							
At April 1, 2013	20.79	784.82	451.70	292.48	199.08	295.73	2,044.60
Additions	-	-	4.45	-	21.85	-	26.30
Disposal	-	-	(2.33)	-	(12.89)	-	(15.22)
At March 31, 2014	20.79	784.82	453.82	292.48	208.04	295.73	2,055.68
<b>Additions</b>	-	<b>38.15</b>	<b>2.86</b>	<b>2.66</b>	<b>29.81</b>	-	<b>73.48</b>
<b>Disposal</b>	-	-	-	-	-	-	-
<b>At March 31, 2015</b>	<b>20.79</b>	<b>822.97</b>	<b>456.68</b>	<b>295.14</b>	<b>237.85</b>	<b>295.73</b>	<b>2,129.16</b>
<b>Depreciation</b>							
At April 1, 2013	-	445.08	188.00	276.17	78.32	73.89	1,061.46
Charge for the year	-	156.68	23.29	9.23	23.06	9.69	221.95
Disposal	-	-	(2.28)	-	(12.89)	-	(15.17)
At March 31, 2014	-	601.76	209.01	285.40	88.49	83.58	1,268.24
<b>Charge for the year</b>	-	<b>97.56</b>	<b>43.63</b>	<b>3.04</b>	<b>25.41</b>	<b>9.69</b>	<b>179.33</b>
<b>Disposal</b>	-	-	-	-	-	-	-
<b>At March 31, 2015</b>	-	<b>699.32</b>	<b>252.64</b>	<b>288.44</b>	<b>113.90</b>	<b>93.27</b>	<b>1,447.57</b>
<b>Impairment loss</b>							
At April 1, 2013	-	-	9.97	-	-	-	9.97
Charge for the year	-	-	-	-	-	-	-
At March 31, 2014	-	-	9.97	-	-	-	9.97
Charge for the year	-	-	-	-	-	-	-
<b>At March 31, 2015</b>	-	-	<b>9.97</b>	-	-	-	<b>9.97</b>
<b>Net Block</b>							
At March 31, 2014	20.79	183.06	234.84	7.08	119.55	212.15	777.47
<b>At March 31, 2015</b>	<b>20.79</b>	<b>123.65</b>	<b>194.07</b>	<b>6.70</b>	<b>123.95</b>	<b>202.46</b>	<b>671.62</b>

#### Note:

- Land includes ₹8.06 Lakhs (March 31, 2014 ₹8.06 Lakhs) being cost of land held in trust by Directors of the Company
- Major portion of the building at Thane has been given on lease
- Plant and equipment includes:
  - Assets held for disposal
    - Gross block ₹26.53 Lakhs (March 31, 2014 - ₹26.53 Lakhs)
    - Net block ₹Nil (March 31, 2014 - ₹Nil)
- Vehicles includes hypothecated to banks
  - Gross block ₹158.69 Lakhs (March 31, 2014 - ₹143.20 Lakhs)
  - Depreciation charge for the year ₹17.34 Lakhs (March 31, 2014: ₹16.99 Lakhs)
  - Accumulated depreciation ₹76.38 Lakhs (March 31, 2014: ₹59.04 Lakhs)
  - Net block ₹82.30 Lakhs (March 31, 2014 - ₹84.16 Lakhs)
- Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 11 - INTANGIBLE ASSETS:

	₹ in Lakhs	
	Computer software	Total
<b>Gross Block</b>		
<b>At April 1, 2013</b>	20.87	20.87
Purchase	0.20	0.20
At March 31, 2014	21.07	21.07
Purchase	<b>4.16</b>	<b>4.16</b>
Disposal	-	-
<b>At March 31, 2015</b>	<b>25.23</b>	<b>25.23</b>
<b>Amortization</b>		
At April 1, 2013	16.03	16.03
Charge for the year	2.62	2.62
At March 31, 2014	18.65	18.65
<b>Charge for the year</b>	<b>2.30</b>	<b>2.30</b>
Disposal	-	-
<b>At March 31, 2015</b>	<b>20.95</b>	<b>20.95</b>
<b>Net Block</b>		
At March 31, 2014	2.42	2.42
<b>At March 31, 2015</b>	<b>4.28</b>	<b>4.28</b>

<b>March 31, 2015</b>	March 31, 2014
₹ in Lakhs	₹ in Lakhs

### NOTE 12 - NON-CURRENT INVESTMENTS :

#### Trade investments (valued at cost unless stated otherwise)

##### Equity instruments:

Biodil Marsing Private Limited. (unquoted)* 59,000 (March 31, 2014 - 59,000) Equity shares of ₹10 each fully paid up	<b>5.90</b>	5.90
Abbott India Limited (AIL) (quoted) 139 (March 31, 2014 - 139) Equity shares of ₹10 each fully paid-up	<b>0.01</b>	0.01
Syngene International Limited (unquoted) 96,448 (March 31, 2014 - Nil) Equity shares of ₹10 each fully paid-up	<b>366.50</b>	-

##### Non-trade investments (valued at cost unless stated otherwise)

##### Government securities:

National Highways Authority Of India Nil (March 31, 2014 - 250) bonds of ₹10,000 each fully paid up	-	25.00
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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 12 - NON-CURRENT INVESTMENTS : (contd.)</b>		
Rural Electrification Corporation Limited	-	25.00
Nil (March 31, 2014 - 250) bonds of ₹10,000 each fully paid up		
<b>Investment in equity instruments</b>		
<b>Investment in subsidiaries</b>		
Aegean Properties Ltd.	30.00	30.00
30,000 (March 31, 2014 - 30,000) Equity shares of ₹100 each		
Fermenta Biotech Ltd.	1,709.25	1,709.25
1,27,62,464 (March 31, 2014-1,27,62,464) Equity shares of ₹10 each		
CC Square Films Limited	5.00	5.00
50,000 (March 31, 2014 - 50,000) Equity shares of ₹10 each.		
<b>Investment in associates</b>		
Health and Wellness India Private Limited	475.00	475.00
30,12,504 (March 31, 2014 - 30,12,504) Equity shares of ₹10 each fully paid-up		
Zela Wellness India Private Limited		
19,600 (March 31, 2014 - 19,600) Equity shares of ₹10 each fully paid-up	50.00	50.00
<b>Investment in joint ventures (Refer Note 27 (i))*</b>		
Vasko Glider s.r.o	188.51	188.51
<b>Other Investment</b>		
Allegro Capital Private Limited - Certificate of Investment (Refer Note 27 (ii))	-	325.00
<b>Subscription application money</b>		
Health & Wellness India Pvt Ltd (Refer Note 30)	309.86	309.86
Zela Wellness India Private Limited (Refer Note 30)	175.00	75.00
Noble Explochem Ltd	584.00	538.75
	<b>3,899.03</b>	3,762.28
Less: Provision for diminution in value of investments (Refer Note 27(i))*	194.41	194.41
	<b>3,704.62</b>	3,567.87
Aggregate amount of quoted investments (Market value: ₹5.49 Lakhs (March 31, 2014 - ₹2.44 Lakhs))	0.01	0.01
Aggregate amount of unquoted investments	3,704.61	3,567.86
Aggregate provision for diminution in value of investments	194.41	194.41

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	Non current		Current	
	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 13 - LOANS AND ADVANCES</b>				
<b>Capital advances</b>				
Unsecured, considered good	<b>383.05</b>	529.35	-	-
<b>Security deposits</b>				
Unsecured, considered good	<b>62.21</b>	61.84	-	-
	<b>62.21</b>	61.84	-	-
<b>Loans to related parties (Refer Note 29) *</b>				
Unsecured, considered good	-	-	<b>232.50</b>	232.50
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	<b>12.19</b>	7.69	<b>216.17</b>	238.96
Doubtful	<b>19.01</b>	19.01	-	-
	<b>31.20</b>	26.70	<b>216.17</b>	238.96
Provision for doubtful advances	<b>19.01</b>	19.01	-	-
	<b>12.19</b>	7.69	<b>216.17</b>	238.96
<b>Other loans and advances (unsecured)</b>				
Inter corporate deposit (Refer Note 27(ii))	-	-	<b>325.00</b>	50.00
Advance income-tax (net of provision for taxation)	-	-	<b>224.52</b>	114.35
MAT credit entitlement	-	-	-	14.82
Prepaid expenses	-	-	<b>5.47</b>	4.50
Loans to employees	<b>28.61</b>	30.83	<b>10.14</b>	28.72
	<b>28.61</b>	30.83	<b>565.13</b>	212.39
	<b>486.06</b>	629.71	<b>1,013.80</b>	683.85
<b>Loans to related parties include*</b>				
Fermenta Biotech Ltd.	-	-	<b>232.50</b>	232.50
[Maximum amount outstanding during the year ₹232.50 Lakhs (March 31, 2014 - ₹332.50Lakhs)]				
Health and Wellness India Private Limited (Refer Note 12)	-	-	-	-
[Maximum amount outstanding during the year ₹Nil (March 31, 2014 - ₹288.00 Lakhs)]				
Zela Wellness India Private Limited (Refer Note 12)	-	-	-	-
[Maximum amount outstanding during the year ₹Nil (March 31, 2014 - ₹ 25 Lakhs)]				
CC Square Films Limited	-	-	<b>0.53</b>	0.25
[Maximum amount outstanding during the year ₹0.53 Lakhs (March 31, 2014 - ₹0.25 Lakhs)]				



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 16. INVENTORIES (valued at lower of cost and net realizable value)</b>		
Work-in-progress - Motion film production	45.06	45.06
	<u>45.06</u>	<u>45.06</u>

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>NOTE 17. CASH AND BANK BALANCES</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
With scheduled banks on:				
Current account	-	-	155.99	404.55
Unclaimed dividend account	-	-	30.24	28.97
With non-scheduled bank :				
Ceskoslovenska obchodni banka, a.s. Czech Republic- on Current account	-	-	10.16	9.18
Cheque(s) on hand	-	-	20.47	-
Cash on hand	-	-	2.59	6.20
	<u>-</u>	<u>-</u>	<u>219.45</u>	<u>448.90</u>
<b>Other bank balances</b>				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	1,395.69	3,089.94
Margin money deposit	-	-	-	36.71
	<u>-</u>	<u>-</u>	<u>1,395.69</u>	<u>3,126.65</u>
Amount disclosed under non-current assets (Refer note 14.2)	-	-	-	(36.71)
	<u>-</u>	<u>-</u>	<u>1,395.69</u>	<u>3,089.94</u>
	<u>-</u>	<u>-</u>	<u>1,615.14</u>	<u>3,538.84</u>

Margin money deposits with a carrying amount of ₹ Nil (March 31, 2014 ₹ 36.71 Lakhs) are subject to first charge to secure the letters of credit facilities availed by the company.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 18 - REVENUE FROM OPERATIONS</b>		
Rent (tax deducted at source ₹106.94 Lakhs, March 31, 2014 - ₹125.63 Lakhs)	1,065.54	1,253.36
Service income (Infrastructure support service to tenant)	0.08	16.64
Profit on sale/redemption of current investments - other than trade	30.53	0.04
Current - other than trade	0.03	3.08
Interest income on:		
Inter-corporate deposits	134.34	6.00
Bank deposits	91.63	196.48
Loans to subsidiary	22.72	33.68
Security deposits and others	4.66	4.65
Bonds	2.00	5.51
[tax deducted at source ₹19.10 Lakhs, (March 31, 2014 - ₹9.18 Lakhs)]	255.35	246.32
	<b>1,351.53</b>	<b>1,519.44</b>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 19.1 - OTHER INCOME:</b>		
Profit on sale/disposal of fixed assets (net)	-	1.45
Miscellaneous Income	0.86	1.02
	<b>0.86</b>	<b>2.47</b>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 19.2 - INTEREST INCOME:</b>		
Interest on income-tax refunds	-	4.73
	<b>-</b>	<b>4.73</b>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 20 - EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	423.36	392.33
Contribution to provident and other fund	26.44	25.16
Gratuity expense (Refer note 25)	(3.03)	0.22
Employee welfare expenses	17.63	18.12
	<b>464.40</b>	<b>435.83</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 21 - OTHER EXPENSES:</b>		
Power and fuel	45.11	40.68
Water	3.72	3.88
Rates and taxes	40.89	22.91
Rent	46.11	43.85
Insurance	12.63	12.40
Repairs and maintenance:		
Plant and machinery	29.07	22.55
Buildings	0.36	33.87
Others	85.33	87.00
Advertising and sales promotion expenses	32.77	23.38
Travelling and conveyance	52.27	42.12
Legal and professional charges	106.38	196.10
Payment to auditors (Refer note below)	15.73	14.43
Exchange loss (net)	2.26	0.50
Communication costs	15.66	11.99
Donation	2.57	2.20
Directors' sitting fees	7.10	6.50
Printing and stationery	5.28	5.93
Staff recruitment expenses	0.42	0.05
Loss on deletion of fixed assets	-	0.06
Miscellaneous expenses	94.73	84.40
	<b>** 598.39</b>	<b>** 654.80</b>

\*\* net of recovery of ₹45.54 Lakhs (March 31, 2014 - ₹34.04 Lakhs) from subsidiary companies.

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>Payment to auditors'</b>		
As auditor		
Audit fee	7.25	6.00
Tax audit fee	1.60 *	1.45 *
Limited review	6.00	6.00
In other capacity in respect of:		
Other services (certification fees)	0.25	0.25
Reimbursement of expenses	0.63 *	0.73 *
	<b>15.73</b>	<b>14.43</b>

\* includes amount payable to another auditor

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 22 - DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	179.33	221.95
Amortization of intangible assets	2.30	2.62
	<b>181.63</b>	<b>224.57</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 23 - FINANCE COST:</b>		
Interest on term loans	2.87	4.90
	<u>2.87</u>	<u>4.90</u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 24 - EARNINGS PER SHARE (EPS):</b>		
Profit after tax	72.86	142.16
	<b>No. in Lakhs</b>	<b>No. in Lakhs</b>
Weighted average number of equity shares in calculating basic EPS	22.93	22.93
Earnings per share (₹Per share):	3.18	6.20

### NOTE 25 - EMPLOYEE BENEFITS:

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

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

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>a) Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 20 for the year are as under:		
- Provident fund	26.44	25.16

### b) Defined Benefit Plan

#### Gratuity - As per actuarial valuation

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
	<b>Gratuity (Funded)</b>	
i) Changes in the present value of the defined benefit obligation		
Opening	39.31	36.50
Interest cost	3.48	2.92
Current service cost	3.85	4.32
Benefits paid	(2.02)	(0.12)
Actuarial (gains) / losses on obligation	(8.57)	(4.31)
Closing	<u>36.05</u>	<u>39.31</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>Gratuity (Funded)</b>		
<b>NOTE 25 - EMPLOYEE BENEFITS: (contd.)</b>		
ii) Changes in fair value of plan assets		
Opening	47.49	43.52
Expected return on plan assets	3.80	3.54
Actuarial (gains) / losses on obligation	0.42	(0.59)
Employer's contribution	1.47	1.14
Benefits paid	(2.02)	(0.12)
Closing	<u>51.16</u>	<u>47.49</u>
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	36.05	39.31
Fair value of plan assets	51.16	47.49
Amount not recognised as assets	(2.92)	(0.49)
Net Asset (liability) recognised in balance sheet	<u>12.19</u>	<u>7.69</u>
iv) Amounts recognised in profit and loss account		
Current service cost	3.85	4.32
Interest cost	3.48	2.92
Expected return on plan assets	(3.80)	(3.54)
Net actuarial (gain) /loss recognised	(8.99)	(3.72)
Amount not recognised as Assets	2.43	0.24
Total expense	<u>(3.03)</u>	<u>0.22</u>
v) Actual return on plan assets	4.22	2.95
vi) Principal assumptions used in actuarial valuation		
Discount rate	7.90%	9.35%
Expected return on plan assets	9.15%	9.15%
Salary escalation rate	5%	10%
Employee turnover	1% at all ages	21 to 30 - 10% 31 to 40 - 5% 41 to 50 - 3% 51 & Above - 2%

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 25 - EMPLOYEE BENEFITS: (contd.)

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, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2013 ₹ in Lakhs	March 31, 2012 ₹ in Lakhs	March 31, 2011 ₹ in Lakhs
viii) Amounts for the current and previous four periods					
Defined benefit obligation	36.05	39.31	36.50	28.56	38.18
Plan assets	51.16	47.49	43.52	39.87	36.76
Surplus/(deficit)	15.11	8.18	7.02	11.31	(1.42)
Experience adjustments on plan liabilities	0.24	(0.66)	1.38	(12.55)	5.52
Experience adjustments on plan assets	0.42	(0.59)	0.35	(1.79)	0.26

- 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 2015-16 ₹Nil (March 31, 2015 ₹1.47 Lakhs during 2014-15)

<b>March 31, 2015</b>	March 31, 2014
<b>₹ in Lakhs</b>	₹ in Lakhs

### NOTE 26 - LEASES:

#### Assets taken on operating lease

During the year the Company has entered into arrangements for taking on lease and license basis certain residential and office premises. The agreement has cancellable and 7.50% - 10% escalation clause and is not renewable.

1. Lease payments recognised in the statement of profit and loss for the year.	<b>45.02</b>	42.38
2. Future minimum lease payment under the leases in the aggregate for each of the following periods:	<b>23.11</b>	-
i) Not later than one year		
ii) Later than one year and not later than five years.	<b>4.09</b>	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

**March 31, 2015**      March 31, 2014  
₹ in Lakhs                      ₹ in Lakhs

**NOTE 26 - LEASES: (contd.)**

**Assets given on operating lease**

The Company has entered into operating lease agreements for its properties in Worli, Mumbai with original lease periods expiring on September 30, 2018. The agreement is non-cancellable and have rent escalation provisions of 15% after 3 years.

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

1. Rent income recognised in the statement of profit and loss for the year.	<b>1,065.54</b>	1,253.36
(includes rentals on sub-lease of ₹420.67 Lakhs (March 31, 2014 ₹406.90 Lakhs) which will expire with no renewable terms on September 30, 2018)		
2 Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	<b>219.77</b>	777.10
ii) Later than one year and not later than five years	-	716.40
iii) More than five years	-	-

**NOTE 27 (i) - INTEREST IN JOINT VENTURE: (Refer Note 12)**

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

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

	<b>March 31, 2015</b>	March 31, 2014
	₹ in Lakhs	₹ in Lakhs
Percentage of holding	<b>50%</b>	50%
Assets	<b>18.68</b>	22.74
Liabilities	<b>0.80</b>	0.98
Income	-	-
Expenditure	-	0.05
Capital Commitment	-	-
Contingent liabilities	-	-

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

**NOTE 27 (ii)** - During the current year, the Company has reached a commercial settlement of its Certificate of investment in Allegro of ₹ 325 Lakhs and agreed to convert this investment into Inter corporate deposit of ₹ 325 Lakhs @ 12% p.a. retrospectively for a period from November 11, 2011 to March 31 2015. Accordingly, company has accrued interest as at March 31, 2015 amounting to ₹ 132.17 Lakhs for the said period.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 28 - SEGMENT INFORMATION

#### A) Primary Segments - Business Segments

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

Property - Renting of properties

Treasury - Investment in shares, securities and mutual funds

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

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

	₹ in Lakhs			
	2014-2015			
	2013-2014			
	Property	Treasury	Entertainment	Total
<b>a. Revenue</b>				
1. Segment revenue - External sales / income from operations	1,070.40	281.25	-	1,351.65
	1,275.61	244.79	-	1,520.40
Unallocated revenue				0.74
				1.51
2. Total				<b>1,352.39</b>
				1,521.91
<b>b. Result</b>				
1. Segment result / operating profit / (loss)	718.84	266.25	(90.05)	895.04
	756.19	242.46	(81.30)	917.35
2. Finance Cost				2.87
				4.90
3. Unallocable income/(expenditure) (net)				(787.07)
				(705.91)
4. Profit before tax				105.10
				206.54
5. Provision for tax				
- current tax				45.16
				64.31
- deferred tax				(12.92)
				0.07
6. Profit after tax				72.86
				142.16
<b>c. Other information</b>				
1. Segment assets	7,289.17	6,123.39	267.43	13,679.99
	5,012.68	7,365.29	218.82	12,596.79
2. Unallocated corporate assets				640.31
				512.66
3. Total assets				14,320.30
				13,109.45

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 28 - SEGMENT INFORMATION (contd.):

	₹ in Lakhs			
	2014-2015			Total
	2013-2014			
	Property	Treasury	Entertainment	
4. Segment liabilities	<b>648.71</b>	<b>366.50</b>	<b>227.17</b>	<b>1,242.38</b>
	<i>788.99</i>	-	<i>226.29</i>	<i>1,015.28</i>
5. Unallocated corporate liabilities				<b>3,831.17</b>
				<i>2,782.28</i>
6. Total liabilities				<b>5,073.55</b>
				<i>3,797.56</i>
7. Cost incurred during the year to acquire				
-segment tangible assets	<b>2,936.96</b>		<b>0.82</b>	<b>2,937.78</b>
	<i>2,139.62</i>		<i>0.86</i>	<i>2,140.48</i>
-unallocated segment tangible assets				<b>36.51</b>
				<i>25.26</i>
8. Depreciation and amortization expense	<b>136.08</b>		<b>4.64</b>	<b>140.72</b>
	<i>187.42</i>		<i>4.80</i>	<i>192.22</i>
9. Unallocated depreciation				<b>40.90</b>
				<i>32.35</i>

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

### B) Secondary Segments

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

### NOTE 29 - RELATED PARTY DISCLOSURES

#### a. Parties where control exists

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

#### Holding company

DVK Investments Private Ltd

#### Subsidiaries

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

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

**Fellow Subsidiary**

V M Café De Art Private Ltd.

**I) Key Management Personnel**

1. Mr. Krishna Datla - Managing Director
2. Mr. Keshav H Kashid - Chief Financial Officer
3. Mr. Srikant N Sharma - Company Secretary

**II) Relative of Key Management Personnel**

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

**c. Joint Venture**

Vasko Glider s.r.o. \*

**d. Associates**

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

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

Magnolia FNB Private Limited

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

**g. Transactions with related parties.**

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

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture*	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
1 Loans and advances given						
- Fermenta Biotech Ltd.		25.00				
		-				
- Health and Wellness India Private Ltd.						-
						(60.00)
- Zela Wellness India Private Limited						-
						(25.00)
2 Loans recovered						
- Fermenta Biotech Ltd.		25.00				
		(100.00)				

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture*	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
3 Interest on loan						
- Fermenta Biotech Ltd.		<b>22.72</b> (33.68)				
4 Remuneration						
- Mr. Krishna Datla				<b>68.97</b> (47.23)		
- Mr. Keshav H Kashid				<b>61.99</b> (60.27)		
- Mr. Srikant N Sharma				<b>29.54</b> (29.09)		
5 Directors sitting fees						
- Ms. Rajeshwari Datla				<b>1.00</b> (1.20)		
6 Rent income						
- Aegean Properties Ltd.		<b>1.42</b> (1.35)				
- DVK Investments Private Ltd.	<b>1.42</b> (1.35)					
- Fermenta Biotech Ltd.		<b>80.87</b> (76.70)				
- CC Square Films Limited		<b>1.20</b> (1.20)				
- Magnolia FNB Private Limited					<b>1.20</b> (1.20)	
7 Rent paid						
- Aegean Properties Ltd.		<b>18.00</b> (18.00)				
8 Other reimbursements paid						
- Fermenta Biotech Ltd.		<b>0.98</b> (1.93)				
- Aegean Properties Ltd.		<b>15.46</b> (15.63)				
9 Other reimbursements received						
- Fermenta Biotech Ltd.		<b>45.26</b> (33.73)				
- CC Square Films Ltd		<b>0.28</b> (0.31)				

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture*	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
10. Investment in equity share capital (Refer Note 12)						
- Health and Wellness India Private Ltd.						- (309.86)
- Zela Wellness India Private Limited						<b>100.00</b> (75.00)
11 Balance outstanding as at the year end						
i. Other current liabilities						
- Fermenta Biotech Ltd.		<b>1.34</b> (0.40)				
ii. Other receivables						
- Fermenta Biotech Ltd.		<b>29.18</b> (14.71)				
- G.I.Biotech Private Ltd.		<b>1.25</b> (1.25)				
iii. Provision for doubtful debts						
- G.I.Biotech Private Ltd.		<b>1.25</b> (1.25)				
iv. Provision for diminution in value of investments*				<b>188.51</b> *		(188.51) *
v. Loans						
- Fermenta Biotech Ltd.		<b>232.50</b> (232.50)				
vi. Interest accrued						
- Fermenta Biotech Ltd.		<b>4.27</b> (6.35)				
vii. Other current liabilities						
- Mr Keshav H Kashid				<b>9.22</b> (13.97)		
- Mr Srikant N Sharma				<b>4.38</b> (6.64)		

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

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

Name	Balance as at		Maximum amount outstanding during the year ended	
	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
1. Loans to subsidiaries / associate				
- Fermenta Biotech Ltd.	<b>232.50</b>	232.50	<b>232.50</b>	332.50
- Health and Wellness India Private Ltd.	-	-	-	309.86
- Zela Wellness India Private Limited	-	-	-	25.00
2. Loans and where there is no repayment schedule and is interest-free (included above)				
- Zela Wellness India Private Limited	-	-	-	25.00
3. Loans to firms/companies in which directors are interested				
<b>Loans given during the year</b>				
- Fermenta Biotech Ltd.	-	-	<b>25.00</b>	-
- Health and Wellness India Private Ltd.	-	-	-	60.00
- Zela Wellness India Private Limited	-	-	-	25.00
<b>Loans outstanding at the year end</b>				
- Fermenta Biotech Ltd.	<b>232.50</b>	232.50	<b>232.50</b>	332.50

**NOTE 30** During the previous year, Company has entered into an agreement with other investors to invest additional amount in the operations of Health & Wellness India Private Limited (H&W) & Zela Wellness India Private Limited (Zela) (associate companies) and also agreed to merge the operations of these two associates into one single entity. Pursuant to this agreement the outstanding Loans and advances, of ₹ 309.86 Lakhs with H&W & ₹25 Lakhs with Zela given by the Company has been converted into share application money. Post the completion of merger operations and shareholding alignment, the company will own 50.94% stake in the combined operations. In addition to the above, during the year the Company has invested ₹ 100 Lakhs towards additional share subscription money which will result in prorata increase in equity stake of Company in the consolidated post merged operation.

### NOTE 31 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
Estimated amount of contracts remaining to be executed on capital account.	<b>1,611.28</b>	3,877.82

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 32 - CONTINGENT LIABILITIES:

Claims against the company not acknowledged as debts :

Service tax department raised demand of ₹ 22.50 Lakhs consisting of Service Tax of ₹ 7.50 Lakhs and penalty of ₹ 15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai has upheld the order of Joint Commissioner of Service Tax. Company has preferred an appeal to CESTAT pending final disposal.

<b>22.50</b>	22.50
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The Deputy Commissioner of sales tax has confirmed the order of the Asst. Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Asstt. Commissioner pending final disposal.

<b>4.63</b>	4.63
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<b>27.13</b>	27.13
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### NOTE 33 - UN-HEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	March 31, 2015		March 31, 2014	
	Foreign Currency in Lakhs	₹ in Lakhs	Foreign Currency in Lakhs	₹ in Lakhs
a) Cash and bank balance	Kc 4.12	10.16	Kc 3.06	9.18
	-	-	-	-

### NOTE 34 - EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS):

	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs
Advertising	-	2.51
Travelling	-	1.64
Legal fees	-	3.77
Remittances to branch office	<b>52.96</b>	48.84
Others	-	0.31
	<b>52.96</b>	57.07

**NOTE 35** - Previous year's figures have been regrouped wherever necessary to confirm with current year's preparation.

As per our report of even date

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

per Vikram Mehta  
Partner

Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
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SATISH VARMA Director	VINAYAK HAJARE Director
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K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary
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Thane  
Date: May 29, 2015.

## Independent Auditor's Report

To  
The Members of DIL Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DIL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### **Basis for qualified opinion**

The accompanying consolidated financial statements include total assets of Rs 18.68 lacs as at March 31, 2015, and total revenues and net cash inflows of Rs Nil and Rs Nil for the year ended on that date, in respect of one jointly controlled entity, which have not been audited and have been consolidated in the consolidated financial statements based solely on the unaudited separate financial statement certified by the management. The consolidated financial statements also include the Company's share of net loss of ₹ 41.71 lacs for the year ended March 31, 2015, in respect of two associates, which have not been audited and have been consolidated in the consolidated financial statements based solely on the unaudited separate financial statement certified by the management. Accordingly we are unable to comment on the impact of the same on the consolidated financial statements and the corresponding impact on paragraph 1 and 2 under the report on other legal and regulatory requirements below.

### **Qualified opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of consolidated the state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2015, of their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, associate companies and jointly controlled entities incorporated outside India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable except in relation to two associates where the auditors' report is not available as noted in our basis for qualified opinion above.
2. As required by section 143(3) of the Act, to the extent applicable, we report that:
  - (a) Except for the matter described in Basis of Qualified Opinion paragraph and the other auditors whose report we have relied on, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
  - (c) Except for the matter described in the basis of Qualified Opinion paragraph above, the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on 31st March, 2015 from being appointed as a

director in terms of Section 164 (2) of the Act except in relation to two associates where the auditors' report is not available as noted in our paragraph of qualified opinion above.

- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 36 to the consolidated financial statements;
  - ii. Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the Group, its associates and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled company incorporated in India.

#### **Other Matter**

- (a) The accompanying consolidated financial statements include total assets of Rs 241.78 lacs as at March 31, 2015, and total revenues and net cash outflows of Rs 0.09 lacs and Rs 3.66 lacs for the year ended on that date, in respect of certain subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the subsidiaries share of net loss of ₹ 37.04 lacs for the year ended March 31, 2015, as considered in the consolidated financial statements. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the report of such other auditors.

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

#### **For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E

#### **per Vikram Mehta**

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 29, 2015.

**Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re: The Group, comprising of DIL Limited (‘the Holding Company’), its Subsidiary Companies, and its Jointly Controlled entity incorporated outside India and to whom the provisions of the Order apply except in relation to two associates where the auditors’ report is not available as noted in the paragraph on the basis of Qualified opinion in the main report (together referred to as “the covered entities” in this report)

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management of the Holding Company. All fixed assets have not been physically verified in case of certain Covered entities during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, is reasonable having regard to the size of the Covered entities of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company and the Covered entities of the Group have conducted physical verification of inventory at reasonable intervals during the year
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered entities of the Group and the nature of their business.
- (c) The Holding Company and as reported by the other auditors who audited the financial statements of the Covered entities of the Group , the Covered entities of the Group are maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) (a) In respect of loans granted by the Holding Company to firms covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount is as stipulated and payment of interest has been regular. As reported by the other auditors who audited the financial statements of the Covered entities of the Group, the Covered entities has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013
- (b) There is no overdue amount of loans granted by the Holding Company and the covered entities of the Group to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Company Act, 2013 for the products of the Holding Company. We have broadly reviewed the books of account maintained by the certain Covered entities of the group to the extent applicable and relevant pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The

detailed examinations of the same have not been made by us. To the best of our knowledge and as explained and reported by the other auditors who audited the financial statements of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of certain other Covered entities of the Group.

- (vii) (a) The Holding Company and the Covered entities of the Group are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective covered entities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the covered entities of the Group.
- (c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, service tax, excise duty, value added tax and cess on account of any dispute, are as follows:

<b>Name of the Statute (Nature of Dues)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>	<b>Entity type</b>	<b>Amount (₹ in Lakhs)</b>
The Bombay Sales Tax Act	1995-1996	High Court, Bombay	Holding Company	99.67 (99.67)
The Gujarat Sales Tax Act	1992 to 1994	Sales Tax Appellate Tribunal	Holding Company	4.63 (1.20)
Central Excise Act, 1944	2000-2001	High Court, Bombay	Holding Company	22.50 (3.75)
Income tax Act, 1961	2005-2006	Commissioner of Income Tax (Appeals), Thane	Covered Entity	11.10
Income tax Act, 1961	2006-2007	Commissioner of Income Tax (Appeals), Thane	Covered Entity	30.95
Income tax Act, 1961	2008-2009	Commissioner of Income Tax (Appeals), Thane	Covered Entity	42.74 (21.50)
Income tax Act, 1961	2009-2010	Commissioner of Income Tax (Appeals), Thane	Covered Entity	15.22 (15.22)
Income tax Act, 1961	2010-2011	Commissioner of Income Tax (Appeals), Thane	Covered Entity	55.61
Central Excise Act, 1944	2005-2006	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Delhi	Covered Entity	1.50
Central Excise Act, 1944	2010-2011	Commissioner of Appeals, Chandigarh	Covered Entity	2.65
Central Excise Act, 1944	2006-2007 to 2009-2010	Commissioner of Appeals, Chandigarh	Covered Entity	7.78 (5.24)
Central Excise Act, 1944	2011-2012	Assistant Commissioner of Central Excise, Shimla	Covered Entity	6.15

(Figures in brackets are the amount paid by the Company under protest)

- (d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of certain covered entities, of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time to the extent applicable to the covered entities.
- (viii) The Holding Company and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, certain Covered entities have 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. However, as reported by the other auditors who audited the financial statements of the Covered entities of the Group, one subsidiary has been registered for a period of less than five years and hence they are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year
- (ix) Based on our audit procedures and as per the information and explanations given by the management we are of the opinion that the holding company and as reported by the other auditor who audited the financial statements / financial information of certain covered entities, of the Group, the Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders
- (x) According to the information and explanations given to us, the Holding Company and as reported by the other auditor who audited the financial statements / financial information of certain covered entities, of the Group, the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions
- (xi) Based on the information and explanations given to us by the management and the report of other auditors who audited the financial statements / financial information of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E

**per Vikram Mehta**

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 29, 2015.

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

	Notes	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	229.32	229.32
Reserves and surplus	4	12,932.88	13,040.16
		<b>13,162.20</b>	13,269.48
<b>Minority interest</b>		<b>2,237.10</b>	2,229.81
<b>Non-current liabilities</b>			
Long-term borrowings	5	535.41	2,484.03
Deferred tax liability (net)	6	324.53	224.23
Other long-term liabilities	7	365.67	408.98
Long-term provisions	8	166.16	186.22
		<b>1,391.77</b>	3,303.46
<b>Current liabilities</b>			
Short-term borrowings	9	2,488.52	2,458.79
Trade payables	10	1,640.91	1,884.48
Other current liabilities	10	5,108.39	2,425.35
Short-term provisions	8	185.38	291.75
		<b>9,423.20</b>	7,060.37
<b>TOTAL</b>		<b>26,214.27</b>	25,863.12
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		534.33	534.33
Less: Impairment		(121.00)	(121.00)
Goodwill (net of impairment)		413.33	413.33
<b>Fixed assets</b>			
Tangible assets	11	7,958.88	8,133.78
Intangible assets	12	98.97	172.41
Capital work-in-progress		6,346.21	3,491.12
Intangible assets under development		159.14	147.21
		<b>14,563.20</b>	11,944.52
Non-current investments	13	1,501.66	1,406.62
Long term loans and advances	14	635.15	734.71
Other non-current assets	15.2	1.68	8.71
		<b>2,138.49</b>	2,150.04
<b>Current assets</b>			
Current investments	16	300.00	300.00
Inventories	17	2,163.45	2,345.24
Trade receivables	15.1	3,553.21	4,053.81
Cash and bank balances	18	1,726.07	3,662.44
Short-term loans and advances	14	1,182.79	852.46
Other current assets	15.2	173.73	141.28
		<b>9,099.25</b>	11,355.23
<b>TOTAL</b>		<b>26,214.27</b>	25,863.12
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta  
Partner

Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH  
Chairman

SATISH VARMA  
Director

K. H. KASHID  
Chief Financial Officer

Thane  
Date: May 29, 2015.

KRISHNA DATLA  
Managing Director

VINAYAK HAJARE  
Director

SRIKANT N. SHARMA  
Company Secretary

RAJESHWARI DATLA  
Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Notes	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>INCOME</b>			
Revenue from operations	19.1	13,278.60	12,824.35
Less: Excise duty		370.70	331.43
		12,907.90	12,492.92
Other operating income	19.2	1,267.27	1,420.18
Other income	20.1	6.63	224.37
<b>Total revenue (I)</b>		<b>14,181.80</b>	14,137.47
<b>EXPENSES</b>			
Cost of raw material and components consumed	21	6,056.26	5,673.14
Purchase of traded goods		82.00	77.35
(Increase)/Decrease in Inventories	22	158.87	(22.39)
Employee benefits expense	23	2,420.58	2,061.46
Other expenses	24	3,867.77	3,500.50
<b>Total (II)</b>		<b>12,585.48</b>	11,290.06
<b>Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)</b>		<b>1,596.32</b>	2,847.41
Depreciation and amortization expense	25	857.85	984.10
Interest income	20.2	–	(4.73)
Finance costs	26	450.16	530.54
<b>Profit before prior period amortization adjustment and tax</b>		<b>288.31</b>	1,337.50
Prior period amortization adjustment		–	(102.83)
<b>Profit before tax</b>		<b>288.31</b>	1,440.33
<b>Tax expense:</b>			
Current tax		86.98	309.85
Less: MAT credit entitlement		–	(0.50)
Provision for tax in respect of earlier years written (off)/ back		–	(10.13)
Deferred tax (credit)/charge		105.95	39.83
<b>Total tax expense</b>		<b>192.93</b>	339.05
<b>Profit after tax</b>		<b>95.38</b>	1,101.28
Share of minority interest in (profit)/loss		(7.29)	(225.50)
Share of interest in profit/(loss) of associates (Refer Note 13)		(41.71)	(87.91)
<b>Profit for the year</b>		<b>46.38</b>	787.87
<b>Earnings per equity share [nominal value of share ₹10/-]</b>	27		
Basic / Diluted (₹in Lakhs)		<b>2.02</b>	34.36
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta  
Partner

Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH  
Chairman

SATISH VARMA  
Director

K. H. KASHID  
Chief Financial Officer

Thane  
Date: May 29, 2015.

KRISHNA DATLA  
Managing Director

VINAYAK HAJARE  
Director

SRIKANT N. SHARMA  
Company Secretary

RAJESHWARI DATLA  
Director

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	288.31	1440.33
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation	857.85	984.10
Loss on sale of fixed assets (net)	5.37	7.40
Loss on deletion of assets	-	0.05
Prior Period amortization adjustment	-	(102.83)
Unrealised foreign exchange (gain)/loss (net)	(4.44)	13.53
Interest expenses	450.16	530.54
<b>Operating profit before working capital changes</b>	<b>1,597.25</b>	<b>2,873.12</b>
Movements in working capital :		
Increase/(decrease) in trade payables	(243.57)	344.91
Increase/(decrease) in long-term provisions	(20.06)	4.22
Increase/(decrease) in short-term provisions	5.52	7.15
Increase/(decrease) in other current liabilities	641.81	17.63
Increase/(decrease) in other Long Term liabilities	(375.02)	-
Decrease/(increase) in trade receivables	500.60	(1,490.79)
Decrease/(increase) in inventories	181.79	167.83
Decrease/(increase) in long-term loans and advances	(247.10)	6.72
Decrease/(increase) in short-term loans and advances	(212.14)	3.53
(Increase)/decrease in other current assets	(32.45)	108.27
(Increase)/decrease in other non-current assets	(14.83)	(3.78)
(Increase)/decrease in current investments	-	(95.00)
(Increase)/decrease in non-current investments	113.11	(315.90)
Cash generation from operations	1,894.91	1,627.91
Direct taxes paid (net of refunds)	(387.98)	(218.24)
Net cash flow from/ (used in) operating activities	(A) <b>1,506.93</b>	<b>1,409.67</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances	(3,515.10)	(2,468.88)
Proceeds from sale of fixed assets	14.58	10.29
Investments in bank deposits (having original maturity of more than three months)	(1,395.68)	(3,126.65)
Redemption/maturity of bank deposits (having original maturity of more than three months)	3,089.94	3,088.86
Net cash flow from/ (used in) investing activities	(B) <b>(1,806.26)</b>	<b>(2,496.38)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

### CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	1,121.37	2,541.50
Repayment of long-term borrowings	(578.47)	(622.10)
Proceeds from short-term borrowings	29.73	304.72
Interest paid	(450.16)	(530.54)
Dividend paid on equity shares	(56.06)	(339.79)
Tax on equity dividend paid	(9.74)	(58.46)
Net cash flow from/ (used in) in financing activities	(C) <u>56.67</u>	<u>1,295.33</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) (242.66)</b>	208.62
Add: Effect of exchange difference on cash and equivalents held in foreign currency	0.55	0.55
Cash and cash equivalents at the beginning of the year	<u>572.50</u>	<u>363.33</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>330.39</u></b>	<b><u>572.50</u></b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	6.45	8.55
Cheque on hand	20.47	-
With scheduled banks on:		
Current account	220.14	478.42
Deposits with original maturity of less than three months	0.03	0.03
Unclaimed dividend account*	30.24	28.97
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s. Czech Republic- on Current account	<u>53.06</u>	<u>56.53</u>
<b>Total cash and cash equivalents (note 18)</b>	<b><u>330.39</u></b>	<b><u>572.50</u></b>

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

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date

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

per Vikram Mehta  
Partner  
Membership No : 105938

Mumbai  
Date: May 29, 2015.

For and on behalf of the Board of Directors

SANJAY BUCH  
Chairman

SATISH VARMA  
Director

K. H. KASHID  
Chief Financial Officer

Thane  
Date: May 29, 2015.

KRISHNA DATLA  
Managing Director

VINAYAK HAJARE  
Director

SRIKANT N. SHARMA  
Company Secretary

RAJESHWARI DATLA  
Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### 1. a) Corporate information

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

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

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

	<b>31-Mar-15</b>	31-Mar-14
	<b>₹ in Lakhs</b>	₹ in Lakhs
i) Percentage of holding	<b>50%</b>	50%
ii) Assets	<b>18.68</b>	22.74
iii) Liabilities	<b>0.80</b>	0.98
iv) Income	-	-
v) Expenditure	-	0.05
vi) Capital commitment	-	-
vii) Contingent liabilities	-	-

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

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

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

### d) Basis of consolidation

These consolidated financial statements include the financial statements of DIL Limited, its subsidiaries and proportionate share in joint venture as at March 31, 2015.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

<b>Name of the subsidiaries</b>	<b>Country of Incorporation</b>	<b>2014-15 % shareholding</b>	<b>2013-14 % shareholding</b>
Fermenta Biotech Limited *	India	<b>72.09%</b>	72.09%
Fermenta Biotech (UK) Limited (100% subsidiary of FBL)	United Kingdom	<b>72.09%</b>	72.09%
G.I. Biotech Private Limited (62.50% Subsidiary of FBL)	India	<b>45.06%</b>	45.06%
Aegean Properties Limited	India	<b>100.00%</b>	100.00%
CC Square Films Limited	India	<b>100.00%</b>	100.00%
<b>Name of the associates</b>			
Health and Wellness India Private Ltd	India	<b>47.15%</b>	47.15%
Zela Wellness Private Limited	India	<b>49.00%</b>	49.00%
<b>Name of the joint venture</b>			
Vasko Glider s.r.o.	Czech Republic	<b>50.00%</b>	50.00%

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

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

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

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

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### 2.1 Summary of significant accounting policies

#### a) Use of estimates

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

#### (b) Tangible fixed assets

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

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

#### (c) Depreciation on tangible fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

	Estimated useful life (in years)
Building	
On freehold land	3.25 - 58
Leased improvements	9-30
Plant & Machinery	5-20
Computers	3-6
Furniture & Fixtures	6-10
Vehicles	8-10

### (d) Intangible Assets

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

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

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

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

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

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

### (e) Impairment of tangible and intangible asset

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

### (f) Investments

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

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

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

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

### (g) Inventories

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

Cost is determined as follows:

- a) Stores and spare parts: - First-in-first-out method.
- b) Raw materials and packing materials: - Cost is determined on a weighted average basis.
- c) Intermediate raw materials, work-in-process and finished goods:- Cost includes direct materials determined on the basis of weighted average method and labour and a proportion of

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

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

### (h) Retirement and other employee benefit

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

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

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

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

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

### (i) Revenue recognition

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

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

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

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

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

Income from services (Note 19.2) are recognised on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

### (j) Foreign currency transactions

Initial recognition

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

#### Conversion

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

#### Exchange difference

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

#### 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.

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

### (k) Leases

As Lessee

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

#### As Lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

straight-line basis over the lease term. Costs, including depreciation, initial direct costs such as legal costs, brokerage costs, etc., are recognized as an expense in the statement of profit and loss.

### (l) Income taxes

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

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

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

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

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

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

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

The bulk drugs production facility of the Company's subsidiary (FBL) in Kullu, Himachal Pradesh, is eligible for deduction of 100% of profits until March 31, 2008 and 30% of profits from April 1, 2008 to March 31, 2013, under section 80IB of the Income Tax Act, 1961. Secondly FBL's bulk drug facility at Dahej, Gujarat, is eligible for deduction of 100% of profit until March 31, 2016 and 50% of the profits from April 1, 2016 to March 31, 2021, under section 10(AA) of the Income Tax Act, 1961. In view of such

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

deduction, no asset has been recognized in respect of the Minimum Alternate Tax ( MAT ) credit available. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal tax under specified period.

### (m) Provisions

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

### (n) Contingent liabilities

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

### (o) Earnings per share

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

### (p) Cash and cash equivalents

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

### (q) Segment Reporting

#### Identification of segments :

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

#### Allocation of common costs :

Common costs are treated as unallocable costs.

#### Unallocated items :

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### Segment Policies :

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

#### (r) Excise Duty

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

#### (s) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### (t) Measurement of EBITD

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 3 - SHARE CAPITAL:</b>		
<b>Authorised Shares:</b>		
49,20,000 (March 31, 2014 - 49,20,000) Equity shares of ₹10/- each	492.00	492.00
80,000 (March 31, 2014 - 80,000) Unclassified shares of ₹10/- each	8.00	8.00
	500.00	500.00
<b>Issued, subscribed and fully paid up shares:</b>		
22,93,198 (March 31, 2014 - 22,93,198) Equity shares of ₹10/- each.	229.32	229.32
	229.32	229.32

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

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

**b) Terms/rights attached to equity shares**

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

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹5/- (March 31, 2014: ₹10/-)

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

**c) Shares held by holding company**

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

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31, 2014-12,36,235) equity shares of ₹10/- each fully paid	123.62	123.62

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

Name of the shareholder Equity shares of ₹10/- each fully paid,	March 31, 2015		March 31, 2014	
	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91%
Mr. Krishna Datla	1.99	8.68%	2.26	9.86%

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 4 - RESERVES AND SURPLUS:</b>		
<b>Capital Reserve:</b>		
Balance as per the last financial statements	1,140.00	1,140.00
<b>Capital redemption reserve :</b>		
Balance as per the last financial statements	70.00	70.00
<b>Unrealised gain on dilution</b>		
Balance as per the last financial statements	950.41	950.41
<b>General Reserve:</b>		
Balance as per the last financial statements	4,736.70	4,721.70
Add: Amount transferred from surplus balance in the statement of profit and loss	-	15.00
<b>Closing Balance</b>	<u>4,736.70</u>	<u>4,736.70</u>
<b>Foreign currency translation reserve</b>		
Balance as per the last financial statements	50.88	48.86
Add: Change during the year	(3.89)	2.02
	<u>46.99</u>	<u>50.88</u>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	6,092.17	5,587.59
Profit for the year	46.38	787.87
Less: Adjustments on account of effect of depreciation on first time application of Schedule II, net of Deferred Tax (Refer Note 6 and 11)	(11.77)	-
Less: Appropriations		
Interim equity dividend (amount per share ₹Nil (March 31, 2014: ₹7.5/-))	-	(171.99)
Tax on Interim equity dividend	-	(29.23)
Proposed final equity dividend (amount per share ₹5/- (March 31, 2014: ₹2.5/-))	(114.66)	(57.33)
Tax on proposed equity dividend	(23.34)	(9.74)
Transfer to general reserve	-	(15.00)
Total appropriations	<u>(138.00)</u>	<u>(283.29)</u>
<b>Net surplus in the statement of profit and loss</b>	<b>** 5,988.78</b>	6,092.17
<b>Total Reserves and surplus</b>	<b>*** 12,932.88</b>	13,040.16

\* includes share in joint venture ₹46.99 Lakhs (March 31, 2014 - ₹50.88 Lakhs)

\*\* includes share of loss in joint venture ₹96.08 Lakhs (March 31, 2014 - ₹96.08 Lakhs)

\*\*\* includes share loss in joint venture ₹49.09 Lakhs (March 31, 2014 - ₹45.20 Lakhs)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>NOTE 5 - LONG-TERM BORROWINGS:</b>				
From Bank (secured) for Kullu facility	–	–	–	37.27
From Bank (secured) for Dahej facility	<b>431.35</b>	836.23	<b>400.00</b>	400.00
Vehicle loan from Banks (secured) (secured against hypothecation of vehicles)	<b>20.57</b>	19.75	<b>25.24</b>	38.36
Vehicle loan financial institutions (secured) (secured against hypothecation of vehicles)	<b>2.65</b>	0.53	<b>2.60</b>	2.90
Equipment Finance Loan from financial institute (Secured)	<b>80.84</b>	118.29	<b>122.81</b>	89.81
From Bank (secured) for Thane One	–	1,509.23	<b>3,509.23</b>	1,000.00
Amount disclosed under the head "other current liabilities"		–	<b>(4,059.88)</b>	(1,568.34)
Net amount	<b>535.41</b>	2,484.03	–	–

Vehicle loans from banks were taken during the financial year 2010-11 to 2014-15 and carries interest ranging between @ 8.20% to 12.76% p.a. The loan is repayable in 36 / 60 monthly installments including interest. The loan is secured by hypothecation of vehicles.

Term loans for Thane One Building at Majiwade Thane is taken from Union Bank of India with interest rates (BR + 4.25%) 14.25% repayable in 12 months starting August 31, 2015 in four instalments on quarterly basis. The said term loans are secured by way of first charge on Equitable Mortgage of Land and Constructions there on. Further, the loan has been guaranteed by the personal guarantee of the managing director of the company and the holding company.

Term loans for expansion of Kullu facility are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 13.50% to 13.75% repayable in 48 equal monthly instalments. The said term loans are secured by way of first charge on fixed assets procured with financial assistance of the term loan and by equitable mortgage of factory land and building at Kullu.

Term loans for setting up a new facility at Dahej SEZ are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 13.50% to 13.75% repayable in 60 equal monthly instalments. The said term loans is secured by way of first charge on fixed assets procured with financial assistance of the said term loan and by equitable mortgage of factory land and building at Dahej.

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 6 - DEFERRED TAX LIABILITY (NET):</b>		
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting (Refer Note 11(7))	538.13	440.72
Items allowed under Income tax computed on payment/realisation basis	-	0.45
Rental income (Straight-lining under AS-19)	-	5.13
Gross deferred tax liability	<u>538.13</u>	<u>446.30</u>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	61.57	67.46
Provision for doubtful debts and advances	152.03	154.61
Gross deferred tax asset	<u>213.60</u>	<u>222.07</u>
Net deferred tax liability	<u>(324.53)</u>	<u>(224.23)</u>

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>NOTE 7 - OTHER LONG-TERM LIABILITIES:</b>				
Liability for capital expenditure	112.95	-	153.87	319.95
Deposits from tenants	252.72	408.98	64.11	76.77
Amount disclosed under "other current liabilities" (Refer Note 10)	-	-	(217.98)	(396.72)
	<u>365.67</u>	<u>408.98</u>	<u>-</u>	<u>-</u>

	Long Term		Short Term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>NOTE 8 - PROVISIONS:</b>				
<b>Provision for employee benefits</b>				
Gratuity	-	9.49	-	-
Long term compensated absences	166.16	176.73	47.11	41.59
	<u>166.16</u>	<u>186.22</u>	<u>47.11</u>	<u>41.59</u>
<b>Other provisions</b>				
Proposed dividend	-	-	114.66	57.33
Provision for tax on proposed equity dividend	-	-	23.34	9.74
Taxation, net of advance taxes (other than deferred tax)	-	-	0.27	183.09
	<u>-</u>	<u>-</u>	<u>138.27</u>	<u>250.16</u>
	<u>166.16</u>	<u>186.22</u>	<u>185.38</u>	<u>291.75</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	<b>March 31, 2015</b>	March 31, 2014
	<b>₹ in Lakhs</b>	₹ in Lakhs
<b>NOTE 9 - SHORT TERM BORROWINGS:</b>		
Cash credit (Secured) from Union Bank of India	<b>1,293.52</b>	1,263.79
Packing Credit (Secured) from Union Bank of India	<b>1,195.00</b>	1,195.00
	<b><u>2,488.52</u></b>	<u>2,458.79</u>
The above amount includes		
Secured borrowings	<b>2,488.52</b>	2,458.79
Packing credit, post shipment credit and cash credit are from Union Bank of India and are secured against hypothecation of Company's entire stocks of raw materials, semi-finished, and finished goods, consumable stores and spares and such other moveable including book-debts, bills, whether documentary or clean, outstanding monies, receivables, and also by way of first charge on all of the Company's fixed assets both present and future. The packing credit and cash credit are repayable on demand and carry interest @ 11% and 14.5% (BR+3%) p.a. respectively.		
	<b>March 31, 2015</b>	March 31, 2014
	<b>₹ in Lakhs</b>	₹ in Lakhs
<b>NOTE 10 - CURRENT LIABILITIES:</b>		
<b>Trade payables</b>	<b>1,640.91</b>	1,884.48
(Details of dues to micro and small enterprises (Refer Note 37))		
<b>Other current liabilities:</b>		
Current maturities of long-term borrowings (Refer Note 5)	<b>4,059.88</b>	1,568.34
Current maturities of deposits from tenants (Refer Note 7)	<b>64.11</b>	76.77
Advance from customers	<b>32.77</b>	37.49
Interest accrued and due on Borrowings	<b>4.35</b>	-
Unclaimed dividends	<b>30.24</b>	28.97
Others		
Statutory dues	<b>79.36</b>	103.75
Liability for capital expenditure	<b>153.87</b>	319.95
Others	<b>683.81</b>	290.08
	<b><u>5,108.39</u></b>	<u>2,425.35</u>
	<b>* <u>6,749.30</u></b>	<u>4,309.83</u>
(* includes share in joint venture ₹0.80 Lakh (March 31, 2014 - ₹0.98 Lakh))		

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**
**NOTE 11 - TANGIBLE ASSETS:**

(₹ in Lakhs)

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
<b>At April 1, 2013</b>	56.83	308.93	3,669.89	7,194.87	483.72	450.07	295.73	12,460.04
Additions	-	-	11.97	58.35	1.25	21.85	-	93.42
Disposal	-	-	-	(20.65)	-	(32.25)	-	(52.90)
At March 31, 2014	56.83	308.93	3,681.86	7,232.57	484.97	439.67	295.73	12,500.56
<b>Additions</b>	-	-	<b>86.54</b>	<b>461.33</b>	<b>9.47</b>	<b>61.42</b>	-	<b>618.76</b>
<b>Disposal</b>	-	-	-	<b>(5.22)</b>	-	<b>(44.57)</b>	-	<b>(49.79)</b>
<b>At March 31, 2015</b>	<b>56.83</b>	<b>308.93</b>	<b>3,768.40</b>	<b>7,688.68</b>	<b>494.44</b>	<b>456.52</b>	<b>295.73</b>	<b>13,069.53</b>
<b>Depreciation</b>								
At April 1, 2013	-	30.93	772.85	2,167.62	349.17	157.60	73.89	3,552.06
Charge for the year	-	10.83	256.71	475.34	40.66	46.68	9.69	839.91
Disposal	-	-	-	(14.28)	-	(20.88)	-	(35.16)
At March 31, 2014	-	41.76	1,029.56	2,628.68	389.83	183.40	83.58	4,356.81
<b>Adjustment refer Note (7)</b>	-	-	-	<b>16.02</b>	-	<b>1.39</b>	-	<b>17.41</b>
<b>Charge for the year</b>	-	<b>10.82</b>	<b>198.38</b>	<b>464.80</b>	<b>15.21</b>	<b>57.40</b>	<b>9.69</b>	<b>756.30</b>
<b>Disposal</b>	-	-	-	<b>(1.47)</b>	-	<b>(28.37)</b>	-	<b>(29.84)</b>
<b>At March 31, 2015</b>	-	<b>52.58</b>	<b>1,227.94</b>	<b>3,108.03</b>	<b>405.04</b>	<b>213.82</b>	<b>93.27</b>	<b>5,100.68</b>
<b>Impairment loss</b>								
At April 1, 2013	-	-	-	9.97	-	-	-	9.97
<b>Charge for the year</b>	-	-	-	-	-	-	-	-
At March 31, 2014	-	-	-	9.97	-	-	-	9.97
<b>Charge for the year</b>	-	-	-	-	-	-	-	-
<b>At March 31, 2015</b>	-	-	-	<b>9.97</b>	-	-	-	<b>9.97</b>
<b>Net Block</b>								
At March 31, 2014	56.83	267.17	2,652.30	4,593.92	95.14	256.27	212.15	8,133.78
<b>At March 31, 2015</b>	<b>56.83</b>	<b>256.35</b>	<b>2,540.46</b>	<b>4,570.68</b>	<b>89.40</b>	<b>242.70</b>	<b>202.46</b>	<b>7,958.88</b>

**Note:**

- Land includes ₹8.06 Lakhs being cost of land held in trust by Directors of the Company
- Major portion of the building at Thane has been given on lease
- Plant and equipment includes:
  - Assets held for disposal:
    - Gross block ₹26.53 Lakhs (March 31, 2014 - ₹26.53 Lakhs)
    - Net block ₹Nil (March 31, 2014 - ₹Nil)
- Share in joint venture assets
  - Gross Value ₹4.21 Lakhs (March 31, 2014 - ₹4.21 Lakhs)
  - Accumulated depreciation ₹4.21 Lakhs (March 31, 2014: ₹4.21 Lakhs)
  - Net block ₹Nil (March 31, 2014 - ₹Nil) Depreciation ₹Nil (March 31, 2014) - ₹Nil)
- Vehicles includes hypothecated to banks:
  - Gross block ₹255.36 Lakhs (March 31, 2014 - ₹248.24 Lakhs)
  - Depreciation charge for the year ₹36.10 Lakhs (March 31, 2014: ₹26.98 Lakhs)
  - Accumulated depreciation ₹86.96 Lakhs (March 31, 2013: ₹94.81 Lakhs)
  - Net block ₹149.65 Lakhs (March 31, 2014 - ₹153.44 Lakhs)
- Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.
- The Company has revised the depreciation rate on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company. Based on current estimates, the carrying amount of ₹ 17.41 Lakhs in respect of assets whose useful life has already exhausted as on April 1, 2014 has been adjusted to retained earnings net of tax of ₹ 5.64 Lakhs thereon.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**
**NOTE 12 - INTANGIBLE ASSETS:**

(₹ in Lakhs)

	Computer software	Product Know-how	Total
<b>Gross Block</b>			
<b>At April 1, 2013</b>	113.48	334.36	447.84
Purchase	6.54	104.40	110.94
Disposal	-	-	-
At March 31, 2014	120.02	438.76	558.78
Purchase	<b>24.11</b>	<b>4.00</b>	<b>28.11</b>
<b>At March 31, 2015</b>	<b>144.13</b>	<b>442.76</b>	<b>586.89</b>
<b>Amortization</b>			
At April 1, 2013	50.62	294.39	345.01
Charge for the year	21.31	122.88	144.19
Disposal	-	(102.83)	(102.83)
At March 31, 2014	71.93	314.44	386.37
<b>Charge for the year</b>	<b>20.76</b>	<b>80.79</b>	<b>101.55</b>
<b>At March 31, 2015</b>	<b>92.69</b>	<b>395.23</b>	<b>487.92</b>
<b>Net Block</b>			
At March 31, 2014	48.09	124.32	172.41
<b>At March 31, 2015</b>	<b>51.44</b>	<b>47.53</b>	<b>98.97</b>

<b>March 31, 2015</b>	March 31, 2014
₹ in Lakhs	₹ in Lakhs

**NOTE 13 - NON-CURRENT INVESTMENTS:**
**Trade investments (valued at cost unless stated otherwise)**
**Equity instruments:**

Biodil Marsing Private Limited. (unquoted)* 59,000 (March 31, 2014 - 59,000) Equity shares of ₹10 each fully paid up	<b>5.90</b>	5.90
Abbott India Limited (AIL). (quoted) 139 (March 31, 2014 - 139) Equity shares of ₹10 each fully paid-up	<b>0.01</b>	0.01
Shivalik Solid Waste Management Limited (unquoted) 20,000 (March 31, 2014 - 20,000) Equity shares of ₹10/- each	<b>2.00</b>	2.00
Syngene International Limited (unquoted) 96,448 (March 31, 2014 - Nil) Equity shares of ₹10/- fully paid up	<b>366.50</b>	-

**Non-trade investments (valued at cost unless stated otherwise) (unquoted)**
**Government securities:**

National Highways Authority of India Nil (March 31, 2014 - 250) bonds of ₹10,000 each fully paid up	-	25.00
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 13 - NON-CURRENT INVESTMENTS: (contd.)</b>		
Rural Electrification Corporation Limited	-	25.00
Nil (March 31, 2014 - 250) bonds of ₹10,000 each fully paid up		
<b>Investment in equity instruments</b>		
<b>Investment in associates</b>		
Health and Wellness India Private Limited (HWIPL) (Refer Note (below))	<b>64.29</b>	106.00
30,12,504 (March 31, 2014 - 30,12,504) Equity shares of ₹10 each fully paid-up (includes goodwill of ₹244.82 Lakhs (March 31, 2014 ₹244.82 Lakhs))		
Zela Wellness India Private Limited (Refer Note below)	-	-
19,600 (March 31, 2014 - 19,600) Equity shares of ₹10 each fully paid-up		
<b>Other Investment</b>		
Allegro Capital Private Limited - Certificate of Investment (Refer Note 30 (ii))	-	325.00
<b>Subscription/application money</b>		
Health and Wellness India Private Limited (Refer Note 31)	<b>309.86</b>	309.86
Zela Wellness India Private Limited (Refer Note 31)	<b>175.00</b>	75.00
Noble Explochem Ltd	<b>584.00</b>	538.75
	<b>1,507.56</b>	1,412.52
Less: Provision for diminution in value of investments *	<b>5.90</b>	5.90
	<b>1,501.66</b>	1,406.62
Aggregate amount of quoted investments (Market value: ₹5.49 Lakhs (March 31, 2014 - ₹2.44 Lakhs))	<b>0.01</b>	0.01
Aggregate amount of unquoted investments	<b>1,501.65</b>	1,406.61
Aggregate provision for diminution in value of investments	<b>5.90</b>	5.90

Note: The share of losses in HWIPL of ₹ 41.71 Lakhs and in ZWIPL of ₹ 50 Lakhs have been adjusted against the value of respective investments.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	Non current		Current	
	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 14 - LOANS AND ADVANCES:</b>				
<b>Capital advances</b>				
Unsecured, considered good	423.52	542.18	-	-
<b>Security deposit</b>				
Unsecured, considered good	121.83	112.78	-	-
<b>Loans to related parties (Refer Note 32) #</b>				
Unsecured, considered good	-	-	-	-
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	19.72 *	8.92	328.09	435.01
Doubtful	24.09	24.09	9.44	7.98
	<u>43.81</u>	<u>33.01</u>	<u>337.53</u>	<u>442.99</u>
Provision for doubtful advances	24.09	24.09	9.44	7.98
	<u>19.72</u>	<u>8.92</u>	<u>328.09</u>	<u>435.01</u>
<b>Other loans and advances (unsecured)</b>				
Inter corporate deposit (Refer Note 30(ii))	267.83	267.83	325.00	50.00
Advance income-tax (net of provision for taxation)	-	-	309.69	176.68
MAT credit entitlement	-	-	0.64	15.46
Prepaid expenses	1.47	-	29.84	29.17
Loans to employees **	68.61	70.83	18.07	38.81
Balances with statutory/government authorities ***	-	-	171.46	107.33
	<u>337.91</u>	<u>338.66</u>	<u>854.70</u>	<u>417.45</u>
Provision for doubtful inter corporate deposit	267.83	267.83	-	-
	<u>70.08</u>	<u>70.83</u>	<u>854.70</u>	<u>417.45</u>
	<u>635.15</u>	<u>734.71</u>	<u>1,182.79</u>	<u>852.46</u>
<b>Loans to related parties include #</b>				
Health and Wellness India Private Limited (Refer Note 13)	-	-	-	-
[Maximum amount outstanding during the year ₹ Nil (March 31, 2014 - ₹ 288.00 Lakhs)]				
Zela Wellness India Private Limited (Refer Note 13)	-	-	-	-
[Maximum amount outstanding during the year ₹ Nil (March 31, 2014 - ₹ 25.00 Lakhs)]				
<b>Loans and advances due by directors or other officers, etc.**</b>				
Dues from officers	-	-	-	-
* includes share in joint venture ₹ 0.79 Lakh (March 31, 2014 - ₹ 0.96 Lakh)				
*** includes share in joint venture ₹ 0.11 Lakh (March 31, 2014 - ₹ 0.14 Lakh)				

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>NOTE 15 - TRADE RECEIVABLES AND OTHER ASSETS:</b>				
<b>15.1. Trade receivables</b>				
<b>Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment</b>				
Considered good	-	-	<b>302.65</b> *	282.26 *
Considered doubtful	<b>170.67</b>	170.67	<b>5.97</b>	6.50
	<b>170.67</b>	170.67	<b>308.62</b>	288.76
Less: Provision for doubtful debts	<b>170.67</b>	170.67	<b>5.97</b>	5.97
	-	-	<b>302.65</b>	282.79
<b>Other receivables</b>				
Considered good	-	-	<b>3,250.56</b>	3,771.02
	-	-	<b>3,553.21</b>	4,053.81

Trade receivables include due from Company in which the Group Company's director is a director - Dupen Laboratories Private Limited

- - 4.75

\* includes share in joint venture ₹1.52 Lakhs (March 31, 2014 - ₹1.85 Lakhs)

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>15.2. Other assets</b>				
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank deposit balances (Refer Note 18)	-	8.71	<b>9.45</b>	59.37
Interest accrued	<b>1.68</b>	-	<b>164.28</b>	81.91
[Interest accrued includes ₹Nil [(March 31, 2014- ₹3.75 Lakhs) from Government Bonds]	<b>1.68</b>	8.71	<b>173.73</b>	141.28

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 16 - CURRENT INVESTMENTS:</b>		
<b>Current investments (valued at lower of cost and fair value, unless stated otherwise)</b>		
<b>Quoted</b>		
Union KBC Trigger Fund Series 1 - Regular Plan Nil (March 31, 2014 - 4,99,990) units of ₹10 each	-	50.00
Union KBC Equity Fund - Growth 3,35,570.470 (March 31, 2014 - Nil) units of ₹10 each	50.00	-
Union KBC Small & Midcap Fund - Growth 20,00,000 (March 31, 2014 - Nil) units of ₹10 each	200.00	-
Union KBC Capital Protection Oriented Fund - Series 5 5,00,000 (March 31, 2014 - 5,00,000) units of ₹ 10 each	50.00	-
Union KBC Fixed Maturity Plan Series 7 Nil (March 31, 2014 - 20,00,000) units of ₹ 10 each	-	200.00
	<b>300.00</b>	300.00
Aggregate amount of quoted investments (Market value ₹Nil (March 31, 2014: ₹Nil))	-	-
Aggregate amount of unquoted investments	<b>300.00</b>	300.00

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 17. INVENTORIES (valued at lower of cost and net realizable value):</b>		
Raw materials and components (includes in transit of ₹29.79 Lakhs (March 31, 2014: ₹195.85 Lakhs))	*	1,037.39
Work-in-progress - Motion Film production	45.06	45.06
Work-in-progress	**	820.12
Finished goods	***	95.90
Stores and spares	164.98	172.29
	<b>2,163.45</b>	2,345.24

\* includes share in joint venture ₹2.27 Lakhs (March 31, 2014 - ₹2.76 Lakhs)

\*\* includes share in joint venture ₹9.71 Lakhs (March 31, 2014 - ₹11.82 Lakhs )

\*\*\* includes share in joint venture ₹4.27 Lakhs (March 31, 2013 - ₹5.21 Lakhs)

\*\*\*\* includes share in joint venture ₹16.25 Lakhs (March 31, 2013 - ₹19.79 Lakhs)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>NOTE 18. CASH AND BANK BALANCES:</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
With scheduled banks on:				
Current account	-	-	220.14	478.42
Unclaimed dividend account	-	-	30.24	28.97
Deposits with original maturity of less than three months	-	-	0.03	0.03
With non-scheduled bank on:				
Current account #	-	-	53.06	56.53
Cheque(s) on hand	-	-	20.47	-
Cash on hand	-	-	6.45	8.55
	<u>-</u>	<u>-</u>	<u>330.39</u>	<u>572.50</u>
<b>Other bank balances</b>				
Deposits with original maturity for more than 3 months but less than 12 months			1,395.68	3,089.94
Margin money deposit ##	-	8.71	9.45	59.37
	<u>-</u>	<u>8.71</u>	<u>1,405.13</u>	<u>3,149.31</u>
Amount disclosed under non-current assets (Refer note 15.2)	-	(8.71)	(9.45)	(59.37)
	<u>-</u>	<u>-</u>	<u>1,726.07</u>	<u>3,662.44</u>

\* includes share in joint venture ₹0.01 Lakh (March 31, 2014 - ₹0.01 Lakh)

# includes	Maximum balance outstanding during the year		Balance as on	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Ceskoslovenska obchodni banka, a.s. Czech Republic	26.55	18.03	10.16	9.18
Komerčni banka, a.s. Czech Republic	0.01	0.01	0.01	0.02
National Westminster Bank Plc. London	42.89	47.34	42.89	47.34
			<u>53.06</u>	<u>56.54</u>

## Margin money deposits with a carrying amount of ₹9.44 Lakhs (March 31, 2014 ₹ 68.08 Lakhs) are subject to first charge to secure the letters of credit facilities availed by the Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 19 - REVENUE FROM OPERATIONS:</b>		
<b>19.1 Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	13,158.44	12,699.74
Traded goods	120.16	124.61
	<u>13,278.60</u>	<u>12,824.35</u>
Less: Excise duty	370.70	331.43
	<u>12,907.90</u>	<u>12,492.92</u>
<b>19.2 Other operating revenue</b>		
Rent (tax deducted at source ₹106.94 Lakhs, March 31, 2014 - ₹125.63 Lakhs)	982.05	1,174.10
Service income	14.13	22.55
Scrap sales	3.47	2.62
Profit on sale/redemption of current investments - other than trade	30.53	0.04
Less: Loss on sale/redemption of current investments - other than trade	-	-
Dividend Income from investments:		
Current - other than trade	0.03	3.08
Interest income on :		
Inter-corporate deposits	134.34	6.00
Bank deposits	93.82	199.29
Security deposits and others	6.90	6.99
Bonds	2.00	5.51
[tax deducted at source ₹19.10 Lakhs, (March 31, 2014 - ₹9.18 Lakhs)]	<u>237.06</u>	<u>217.79</u>
	<u>1,267.27</u>	<u>1,420.18</u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 20.1 - OTHER INCOME:</b>		
Exchange gain (net)	-	219.76
Miscellaneous Income	6.63	4.61
	<u>6.63</u>	<u>224.37</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 20.2 - INTEREST INCOME:</b>		
Interest on income-tax refunds	-	4.73
	<u>-</u>	<u>4.73</u>
	<u><u>-</u></u>	<u><u>4.73</u></u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 21 - COST OF PRODUCTION:</b>		
Inventories of raw material / packing material at the beginning of the year	1,047.19	1,225.03
Add: Purchases	6,044.19	5,495.30
Less : Inventories of raw material / packing material at the end of the year	1,035.12	1,047.19
	<u>6,056.26</u>	<u>5,673.14</u>
	<u><u>6,056.26</u></u>	<u><u>5,673.14</u></u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 22 - (INCREASE)/DECREASE IN INVENTORIES:</b>		
<b>Inventories at the end of the year (Refer Note 17)</b>		
Work-in-process	810.41	872.75
Finished goods	91.63	188.16
Work-in-process - production of movie	45.06	45.06
	<u>947.10</u>	<u>1,105.97</u>
<b>Inventories at the beginning of the year (Refer Note 17)</b>		
Work-in-process	872.75	667.89
Finished goods	188.16	370.63
Work-in-process - production of movie	45.06	45.06
	<u>1,105.97</u>	<u>1,083.58</u>
	<u><u>158.87</u></u>	<u><u>(22.39)</u></u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 23 - EMPLOYEE BENEFITS EXPENSE:</b>		
Salaries, wages and bonus	2,110.52	1,790.15
Contribution to provident and other funds	114.91	100.71
Gratuity expenses (Refer Note 28 (iv))	(10.30)	(1.87)
Employee welfare expenses	205.45	172.47
	<u>2,420.58</u>	<u>2,061.46</u>
	<u><u>2,420.58</u></u>	<u><u>2,061.46</u></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 24 - OTHER EXPENSES:</b>		
Consumption of stores and spares	459.97	331.83
Processing charges	378.36	481.07
Power and fuel	884.34	719.65
Water	13.65	13.07
Rates and taxes	108.13	78.59
Excise duty expenses	23.13	47.92
Rent	39.77	32.63
Insurance	89.07	92.67
Repairs and maintenance:		
Plant and machinery	57.28	52.97
Buildings	30.12	43.58
Others	165.94	153.93
Commission and discounts on sales	82.06	32.01
Advertising and sales promotion expenses	129.60	105.93
Packing, freight and distribution expenses	235.04	207.68
Travelling and conveyance	384.49	315.67
Legal and professional charges	304.33	439.89
Payment to auditors	37.28	35.94
Exchange loss (net)	99.96	0.50
Communication costs	48.58	44.17
Donation	9.26	7.66
Directors' sitting fees	11.20	8.65
Printing and stationery	46.78	39.63
Staff recruitment expenses	23.33	9.31
Provision for doubtful advances	1.47	20.95
Bad debts	5.84	-
Interest on delayed tax payments	0.05	-
Loss on sale of fixed assets (net)	5.37	7.40
Loss on deletion of fixed assets	-	0.05
Miscellaneous expenses	193.37 *	177.15 *
	<b>3,867.77</b>	<b>3,500.50</b>

\* includes share in joint venture ₹Nil (March 31, 2014 - 0.05 Lakhs)

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>Payment to auditors'</b>		
As auditor		
Audit fee	17.00	15.75
Tax audit fees	4.70 *	4.55 *
Limited review	13.50	13.50
In other capacity in respect of:		
Other services (certification fees)	0.25	0.25
Reimbursement of expenses	1.83 *	1.89 *
	<b>37.28</b>	<b>35.94</b>

\* includes amount payable to another auditor

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 25 - DEPRECIATION AND AMORTIZATION EXPENSE:</b>		
Depreciation of tangible assets	756.30	839.91
Amortization of intangible assets	101.55	144.19
	<u>857.85</u>	<u>984.10</u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 26 - FINANCE COST:</b>		
Interest on term loans	148.52	222.94
Interest on others	301.64	298.04
Bank Charges	-	9.56
	<u>450.16</u>	<u>530.54</u>

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 27 - EARNINGS PER SHARE (EPS):</b>		
Profit/(loss) after tax	46.38	787.87
	<b>No. in Lakhs</b>	<b>No. in Lakhs</b>
Weighted average number of equity shares in calculating basic EPS	22.93	22.93
Earnings per share (₹Per share):	2.02	34.36

### NOTE 28 - EMPLOYEE BENEFITS:

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

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

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>a) Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 23 for the year are as under:		
- Provident fund	112.45	98.26
- Superannuation scheme	2.46	2.45

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

**March 31, 2015**                      March 31, 2014  
 ₹ in Lakhs                              ₹ in Lakhs  
**Gratuity (Funded)**

**NOTE 28 - EMPLOYEE BENEFITS: (contd.)**
**b) Defined Benefit Plan**
**Gratuity - As per actuarial valuation**

## i) Changes in the present value of the defined benefit:

Opening	190.60	180.90
Interest cost	19.32	17.96
Current service cost	22.54	25.36
Benefits paid	(28.52)	(1.04)
Actuarial (gains) / losses on obligation	(39.47)	(32.58)
Closing	164.47	190.60

## ii) Changes in fair value of plan assets

Opening	189.28	176.33
Expected return on plan assets	16.86	16.01
Actuarial (gains) / losses on obligation	(1.74)	(3.16)
Employer's contribution	10.16	1.14
Benefits paid	(28.52)	(1.04)
Closing	186.04	189.28

## iii) Amounts recognised in balance sheet

Present value of defined benefit obligation	164.47	190.60
Fair value of plan asset	186.04	189.28
Amount not recognised as Asset	2.92	(0.49)
Net Asset (liability) recognised in balance sheet	18.65	(1.81)

## iv) Amounts recognised in profit and loss account

Current service cost	22.54	25.36
Interest cost	19.32	17.96
Expected return on plan assets	(16.86)	(16.01)
Net actuarial (gain) /loss recognised	(37.73)	(29.42)
Amount not recognised as Asset	2.43	0.24
Total expense	(10.30)	(1.87)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs			
<b>Gratuity (Funded)</b>					
<b>NOTE 28 - EMPLOYEE BENEFITS: (contd.)</b>					
v) Actual return on plan assets	<b>15.13</b>	12.85			
vi) Principal assumptions used in actuarial valuation					
Discount rate	<b>7.90 %</b>	8.25% - 9.35 %			
Expected return on plan assets	<b>9.15 %</b>	9.15 %			
Salary escalation rate	<b>5 %</b>	10 %			
Withdrawal rate	<b>21 to 30 - 10 %</b>	21 to 30 - 10 %			
	<b>31 to 40 - 5 %</b>	31 to 40 - 5 %			
	<b>41 to 50 - 3 %</b>	41 to 50 - 3 %			
	<b>51 to 57 - 2 %</b>	51 & above - 2 %			
vii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:					
	<b>DIL</b>	<b>FBL</b>	DIL	FBL	
Investments with insurer	<b>100%</b>	<b>95%</b>	100%	99%	
Investments with others	<b>Nil</b>	<b>5%</b>	Nil	1%	
	<b>Gratuity (Funded)</b>				
	March 31, <b>2015</b> ₹ in Lakhs	March 31, 2014 ₹ in Lakhs	March 31, 2013 ₹ in Lakhs	March 31, 2012 ₹ in Lakhs	March 31, 2011 ₹ in Lakhs
viii) Amounts for the current and previous three periods					
Defined benefit obligation	<b>164.46</b>	190.59	180.89	152.48	156.13
Plan Assets	<b>186.04</b>	189.28	176.33	121.61	114.36
Surplus/(deficit)	<b>21.58</b>	(1.31)	(4.56)	(30.88)	(41.77)
Experience Adjustments on plan liabilities	<b>2.92</b>	(12.23)	(11.24)	(19.41)	(7.14)
Experience Adjustments on plan assets	<b>(1.74)</b>	(3.16)	1.15	(4.34)	1.64
ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.					
b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.					
c) The estimates of rate escalation in salary considered in the actuarial valuation take in to account inflation, seniority promotion and other relevant factors including supply demand in the employment market.					
d) The Group (consisting of parent Company and Fermenta Biotech Limited only) is expected to contribute to the Gratuity fund during 2015-16 ₹10 Lakhs (March 31, 2014 ₹ 2.25 Lakhs)					

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>NOTE 29 - LEASES:</b>		
<b>Assets taken on operating lease</b>		
During the year the Company has entered into arrangements for taking on leave and license basis certain residential and office premises. The agreement has cancellable and 7.50% - 10% escalation clause and is not renewable.		
1		
Lease payments recognised in the statement of profit and loss for the year.	39.77	32.63
2		
Future minimum lease payment under the leases in the aggregate and for each of the following periods:		
i) Not later than one year	23.11	-
ii) Later than one year and not later than five years.	4.09	-
<b>Assets given on operating lease</b>		
The Company has entered into operating lease agreement for its properties in Worli, Mumbai with original lease periods expiring on September 30, 2018. The agreement is non-cancellable and have rent escalation provisions of 15% after 3 years.		
The Company has also entered into operating lease agreements for its properties in Thane with original lease periods expiring between 2010 and 2016. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5% every year.		
1		
Rent income recognised in the statement of profit and loss for the year.	982.05	1,174.10
(includes rentals on sub-lease of ₹420.67 lakhs (March 31, 2014 ₹406.90 lakhs) which will expire with no renewable terms on September 30, 2018)		
2		
Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	226.22	777.37
ii) Later than one year and not later than five years	8.91	716.40
iii) More than five years	-	-

### NOTE 30 (i) INTEREST IN JOINT VENTURE:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### NOTE 30 - INTEREST IN JOINT VENTURE: (contd.)

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

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
Percentage of holding	50%	50%
Assets	18.68	22.74
Liabilities	0.80	0.98
Income	-	-
Expenditure	-	0.05
Capital Commitment	-	-
Contingent liabilities	-	-

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

**Note 30 (ii)** - During the current year, the Company has reached a commercial settlement of its Certificate of investment in Allegro of Rs 325 lakhs and agreed to convert this investment into Inter corporate deposit of ₹ 325 lakhs @ 12% interest p.a. retrospectively for a period from November 11, 2011 to March 31 2015. Accordingly, company has accrued interest as at March 31, 2015 amounting to ₹ 132.17 lakhs for the said period

**NOTE 31.** During the Previous year, Company has entered into an agreement with other investors to invest additional amount in the operations of Health & Wellness India Private Limited (H&W) & Zela Wellness India Private Limited (Zela) (associate companies) and also agreed to merge the operations of these two associates into one single entity. Pursuant to this agreement the outstanding Loans and advances, of ₹ 309.86 Lakhs with H&W & ₹ 25 Lakhs with Zela given by the Company has been converted into share application money. Post the completion of merger operations and shareholding alignment, the company will own 50.94% stake in the combined operations. In addition to the above, during the year the Company has invested ₹ 100 Lakhs towards additional share subscription money which will result in prorata increase in equity stake of Company in the consolidated post merged operation.

### NOTE 32 - RELATED PARTY DISCLOSURES:

#### a. Parties where control exists

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

#### Holding company

DVK Investments Private Ltd.

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

#### Fellow Subsidiary

VM Café De Art Private Ltd.

#### c. Key Management Personnel

1. Mr. Krishna Datla - Managing Director
2. Mr. Satish Varma - Managing Director (FBL).
3. Ms. Anupama Datla - Executive Director (FBL).
4. Mr. Keshav H Kashid - Chief Financial Officer
5. Mr. Prashant Nagre - Chief Executive Officer (FBL).
6. Mr. Srikant N Sharma -Company Secretary
7. Mr. Rajeev Midha - Chief Financial Officer (From 15th September 2014 to 31st January 2015) (FBL).
8. Mr. Rajendra Gaitonde-Whole Time Director (Operations) (Up to 15th October 2014) (FBL).
9. Mr. Sudarshan Kamath - Chief Financial Officer (Up to 30th September 2014) (FBL).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### NOTE 32 - RELATED PARTY DISCLOSURES : (contd.)

#### d. Associates

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

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

- Magnolia FNB Private Ltd.  
 Dupen Laboratories Pvt Ltd.  
 Lacto Cosmetic (Vapi) Pvt. Ltd.

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

#### g. Transactions with related parties.

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

(₹ in Lakhs)					
Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
1 Loans and advances given					
- Health and Wellness India Private Ltd.					-
					(60.00)
- Zela Wellness India Private Limited					-
					(25.00)
2 Remuneration					
- Mr. Satish Varma			<b>67.78</b>		
			(39.29)		
- Mr. Krishna Datla			<b>68.97</b>		
			(47.23)		
- Mr. Keshav H Kashid			<b>61.99</b>		
			(60.27)		
- Mr. Prashant Nagre			<b>75.57</b>		
			(73.54)		
- Mr. Sudarshan Kamath			<b>27.69</b>		
			(36.92)		
- Mr. Rajeev Midha			<b>23.68</b>		
			-		
- Mr. Srikant N Sharma			<b>29.54</b>		
			(29.09)		
- Ms. Anupama Datla			<b>53.03</b>		
			(46.60)		
- Mr. Rajendra Gaitonde			<b>22.40</b>		
			(34.48)		

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**
**NOTE 32 - RELATED PARTY DISCLOSURES (contd.):**

(₹ in Lakhs)					
Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Manage- ment Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
Directors sitting fees					
DIL LTD			<b>1.00</b> (1.20)		
Fermenta Biotech Limited			<b>4.10</b> (2.15)		
3 Sales					
- Dupen Laboratories Private Ltd.				<b>4.48</b> (5.22)	
4 Purchase of raw material					
- Dupen Laboratories Private Ltd.				<b>12.44</b> (-)	
- Lacto Cosmetics (Vapi) Private Ltd.				<b>3.05</b> (3.37)	
5 Processing Charges paid					
- Lacto Cosmetics (Vapi) Private Ltd.				<b>14.29</b> (11.25)	
6 Rent income					
- DVK Investment Private Ltd.	<b>1.42</b> (1.35)				
- Magnolia FNB Private Ltd.		<b>1.20</b> (1.20)			
7 Investment in equity share capital (Refer Note 13)					
- Health and Wellness India Private Ltd.					- (309.86)
- Zela Wellness India Private Ltd.					<b>100.00</b> (75.00)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**
**NOTE 32 - RELATED PARTY DISCLOSURES (contd.):**

(₹ in Lakhs)

Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
8 Balance outstanding as at the year end					
a.Trade payable					
- Lacto Cosmetics (Vapi) Pvt. Ltd.				<b>5.89</b> (3.20)	
- Dupen Laboratories Private Ltd.				<b>2.86</b> (-)	
- Mr. Prashant Nagre			<b>7.92</b> (12.00)		
- Mr. Rajendra Gaitonde			- (4.00)		
- Mr. Sudarshan Kamath			- (5.53)		
- Mr. Keshav H Kashid			<b>9.22</b> (13.97)		
- Mr. Srikant N Sharma			<b>4.38</b> (6.64)		
b.Trade receivables					
- Dupen Laboratories Private Ltd.				<b>5.02</b> (4.75)	

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### NOTE 33 - SEGMENT INFORMATION:

#### Primary Segments - Business Segments

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

Property - Renting of properties

Treasury - Investment in shares, securities and mutual funds.

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

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

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

(₹ in Lakhs)

	2014-2015				
	2013-2014				
	Chemicals	Property	Treasury	Entertainment	Total
<b>a. Revenue</b>					
1. Segment revenue	<b>12,925.43</b>	<b>1,088.40</b>	<b>281.25</b>	–	<b>14,295.08</b>
	12,724.74	1,293.61	244.79	–	14,263.14
Less: Inter-segment revenue	–	<b>101.49</b>	<b>22.72</b>	–	<b>124.21</b>
	3.55	97.25	33.68	–	134.48
Unallocated revenue					<b>10.93</b>
					13.54
2. Total					<b>14,181.80</b>
					14,142.20
<b>b. Result</b>					
1. Segment result / operating profit / (loss)	<b>767.23</b>	<b>597.01</b>	<b>243.52</b>	<b>(90.48)</b>	<b>1,517.28</b>
	1,777.84	661.68	208.78	(81.81)	2,566.49
2 Finance costs					<b>450.16</b>
					530.54
3 Unallocable income/(expenditure) (net)					<b>(778.81)</b>
					(698.45)
4 Profit before tax					<b>288.31</b>
					1,337.50
5 Prior period amortization adjustment					–
					102.83
6 Provision for tax					
- current tax					<b>86.98</b>
					309.35
- deferred tax					<b>105.95</b>
					39.83
- Provision for tax in respect of earlier years written back					–
					(10.13)
7. Profit after tax					<b>95.38</b>
					1,101.28

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### NOTE 33 - SEGMENT INFORMATION (contd.):

(₹ in Lakhs)

	2014-2015				
	2013-2014				
	Chemicals	Property	Treasury	Entertainment	Total
<b>c. Other information</b>					
1. Segment assets	<b>13,736.85</b> <i>14,581.42</i>	<b>7,370.63</b> <i>5,087.58</i>	<b>3,681.66</b> <i>4,963.18</i>	<b>267.00</b> <i>218.68</i>	<b>25,056.14</b> <i>24,850.86</i>
2. Unallocated corporate assets					<b>1,158.13</b> <i>1,012.26</i>
3. Total assets					<b>26,214.27</b> <i>25,863.12</i>
4. Segment liabilities	<b>7,661.73</b> <i>8,408.58</i>	<b>648.85</b> <i>789.09</i>	<b>366.50</b> <i>-</i>	<b>227.22</b> <i>226.34</i>	<b>8,904.30</b> <i>9,424.01</i>
5. Unallocated corporate liabilities					<b>4,147.77</b> <i>3,169.63</i>
6. Total liabilities					<b>13,052.07</b> <i>12,593.64</i>
7. Cost incurred during the year to acquire					
- segment tangible and intangible assets	<b>569.22</b> <i>140.67</i>	<b>5,534.00</b> <i>2,635.58</i>	<b>-</b> <i>-</i>	<b>0.82</b> <i>0.86</i>	<b>6,104.04</b> <i>2,777.11</i>
- unallocated segment tangible and intangible assets					<b>36.51</b> <i>25.26</i>
8. Depreciation and amortization expense	<b>675.14</b> <i>758.43</i>	<b>137.17</b> <i>188.50</i>	<b>-</b> <i>-</i>	<b>4.64</b> <i>4.80</i>	<b>816.95</b> <i>951.73</i>
9. Unallocated depreciation					<b>40.90</b> <i>32.37</i>

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

#### Secondary Segments - Geographical Segments

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

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

	2014-15 ₹ in Lakhs	2013-14 ₹ in Lakhs
India	<b>4,986.44</b>	4,817.02
Europe	<b>6,939.06</b>	6,871.97
Others countries	<b>2,245.37</b>	2,439.67
	<b>14,170.87</b>	14,128.66

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015**
**NOTE 33 - SEGMENT INFORMATION (contd.):**

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

	Carrying amount of Segment Assets		Additions to tangible and intangible assets	
	2014-2015	2013-2014	2014-2015	2013-2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
India	<b>24,183.83</b>	23,803.41	<b>6,140.55</b>	2,802.37
Outside India	<b>2,030.44</b>	2,059.71	–	–
	<b>26,214.27</b>	25,863.12	<b>6,140.55</b>	2,802.37

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

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

₹ in Lakhs

SI No.	Particulars	Name of the Entity	March 31, 2015				March 31, 2014			
			Net Asset as a % of Consolidated		% of share in profit and loss		Net Asset as a % of Consolidated		% of share in profit and loss	
			%	Amount	%	Amount	%	Amount	%	Amount
1	Parent	DIL Limited	54%	7,146.31	-95%	(44.16)	54%	7,201.48	4%	31.00
2	Subsidiaries									
	Indian	Aegean Properties Limited	1%	88.76	-72%	(33.30)	1%	90.02	-3%	(25.28)
		CC Square Films Ltd	0%	0.06	-1%	(0.43)	0%	0.06	0%	(0.45)
		Fermenta Biotech Limited	60%	7,931.31	385%	178.40	60%	7,924.16	138%	1089.68
		G I Biotech Private Limited	0%	2.63	-2%	(0.74)	0%	3.35	0%	(0.31)
	Foreign	Fermenta Biotech (UK) Limited	1%	148.07	-9%	(4.39)	1%	152.46	1%	6.69
		Vasko Glider s.r.o	0%	17.87	0%	–	0%	21.76	0%	(0.05)
3	Minority Interest		-17%	(2,237.10)	-16%	(7.29)	-17%	(2,229.81)	-29%	(225.50)
4	Associates	Health And Wellness India Private Limited	1%	64.29	-90%	(41.71)	1%	106.00	-11%	(87.91)
		Zela Wellness Private Limited	0%	–	0%	–	0%	–	0%	–
<b>Total</b>			<b>100%</b>	<b>13,162.20</b>	<b>100%</b>	<b>46.38</b>	<b>100%</b>	<b>13,269.48</b>	<b>100%</b>	<b>787.87</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2015

### NOTE 35 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
<b>Estimated amount of contracts remaining to be executed on capital account.</b>		
DIL Limited	1,611.28	3,877.82
Fermenta Biotech Limited	43.48	55.84

### NOTE 36 - CONTINGENT LIABILITIES:

	March 31, 2015 ₹ in Lakhs	March 31, 2014 ₹ in Lakhs
Contingent liabilities not probable and hence not provided by the Company in respect of;		
a) Tax matters		
– Income Tax - matter under appeal	21.24	21.24
– Excise Duty - matter under appeal	8.00	8.00
– Service tax - matter under appeal	22.50	22.50
– Sales tax - matter under appeal	4.63	4.63
b) Other Claims	21.31	15.99
	<u>77.68</u>	<u>72.36</u>

### NOTE 37 - DERIVATIVE INSTRUMENTS:

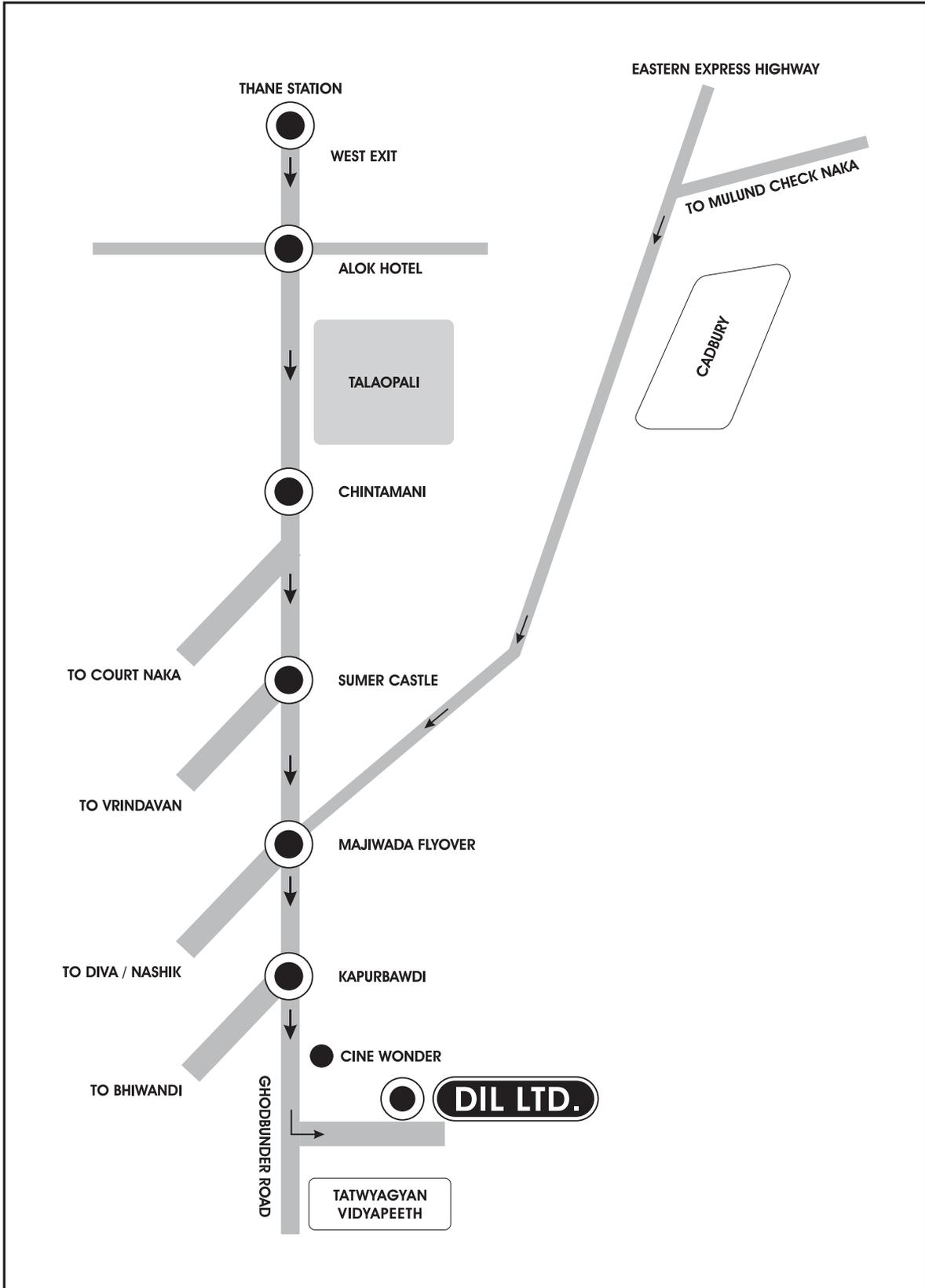
a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes. There are no foreign exchange forward contracts outstanding as at March 31, 2015 and as at March 31, 2014.

b) Un-hedged foreign currency exposure:

Particulars	March 31, 2015		March 31, 2014	
	Foreign Currency in Lakhs	₹ in Lakhs	Foreign Currency in Lakhs	₹ in Lakhs
<b>DIL Limited</b>				
a) Cash and bank balance	Kc 4.12	10.16	Kc 3.06	9.18
<b>Fermenta Biotech Limited</b>				
a) Trade receivables	USD 11.14 EURO 26.69	696.84 1,810.64	USD 14.16 EURO 25.53	846.10 2,098.12
b) Trade payables	USD 5.46 EURO 1.95 GBP 0.04	342.48 132.72 3.46	USD 2.88 EURO 7.41 –	172.10 610.08 –



# 63rd AGM Venue's Roadmap





Corporate Identification Number (CIN): L99999MH1951PLC008485  
 Regd Office: 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610, Maharashtra, India.  
 Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

**BALLOT FORM**

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

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

I / We hereby exercise my / our vote in respect of the Resolutions set out in the Notice of the Annual General Meeting dated September 30, 2015 by sending my / our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resol- ution No.	Description	No. of shares	I/We assent to the Reso- lution	I/We dissent to the Reso- lution
1.	To receive, consider and adopt: (a) the audited Financial Statements (Standalone) of the Company for the financial year ended March 31, 2015, Report of the Board of Directors and the Auditors thereon; and (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 along with report of the Auditors thereon.			
2.	To declare a Final Dividend on equity shares (₹ 5 per equity share) of ₹ 10 each for the financial year ended March 31, 2015.			
3.	To appoint a Director in place of Mr. Satish Varma (DIN : 00003255), who retires by rotation and being eligible offers himself for re-appointment.			
4.	To ratify the appointment of Statutory Auditors and to fix their remuneration.			
5.	To consider and approve re-appointment of Mr. Krishna Datla (DIN : 00003247) as Managing Director.			
6.	To consider and adopt revised Articles of Association of the Company to align with the form of Articles specified in Table F of Schedule I to the Companies Act, 2013.			
7.	To consider and approve increase in borrowing powers of the Company.			

Place :

Date :

Signature of the Member

\*Email address: .....

\* Members holding shares in physical form can provide their email ids.

**Notes:**

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by Ballot Form or through remote e-voting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
3. For detailed instructions on remote e-voting, please refer to the Notes appended to the Notice of Annual General Meeting.
4. The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through Ballot Form to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

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

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, i.e. Mr. V.N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, at the Registered Office of the Company, not later than September 29, 2015 (5.00 p.m. IST). For this purpose, a self-addressed prepaid envelope is enclosed and postage will be paid by the Company. The envelope bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, envelopes containing the Ballot Form(s), if deposited in person or sent by courier or registered/ speed post will be at the expense of the Member and will also be accepted.
2. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders.
3. For shares held by companies, bodies corporate, trusts, societies, etc. the duly completed Form should be accompanied by a certified true copy of the Board Resolution/ Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick mark in the column provided for assent/ dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 23, 2015 ("Cut Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
6. Duly completed Forms should reach the Scrutinizer not later than the close of working hours on September 29, 2015 (5.00 p.m. IST). Ballot Form received after the said date will be treated as invalid.
7. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified at Sr.No. 6 above.
8. Unsigned, incomplete, improperly or incorrectly filled or tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The Scrutinizer's decision on the validity of a Ballot will be final.
10. Except as otherwise mentioned herein, Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. Members are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
11. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be published in newspapers, placed on the Company's website [www.dil.net](http://www.dil.net) and communicated to the Stock Exchange where the Company shares are listed viz. BSE Ltd.
12. Members may address any query to Mr. Srikant Sharma, Compliance Officer, at the Registered Office of the Company, Tel: 022 6623 0800 • Fax: 022 6798 0899 or by e-mail to [srikant.sharma@dil.net](mailto:srikant.sharma@dil.net).

## SHAREHOLDER INSTRUCTIONS FOR REMOTE E-VOTING ('E-VOTING')

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on Sunday, 27th September, 2015 at 9.00 a.m. and ends on Tuesday, 29th September, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For Members having demat account with DP connected to CDSL: Please enter 16 digits beneficiary ID as your User ID,
  - b. For Members having demat account with DP connected to NSDL: Please enter 8 Characters DP ID followed by 8 Digits Client ID as your User ID,
  - c. For Members holding shares in Physical Form : Please enter Folio Number registered with the Company as your User ID.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, please follow the steps given below for generation of password:

<b>For Members holding shares in Demat Form and/or Physical Form</b>	
PAN*(Mandatory)	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
Date of Birth (DOB) # #OR Dividend Bank Details #(# In addition to PAN, any one of either DOB or Dividend Bank details is mandatory)	<ul style="list-style-type: none"> <li>• Enter the Date of Birth (DOB) as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</li> <li>• Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</li> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member ID/Folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote,

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provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) 150819005 for DIL Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**ATTENDANCE SLIP**

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

**DIL LIMITED**

Corporate Identification Number (CIN): L99999MH1951PLC008485  
Regd Office: 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610, Maharashtra, India.  
Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

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

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

I hereby record my presence at the Sixty-Third Annual General Meeting of the Company held at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400610 on Wednesday, September 30, 2015 at 3.00 p.m.

-----  
Member(s)/Proxy's Signature

Note :

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

-----  
TEAR HERE  
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**PROXY FORM**

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

**DIL LIMITED**

Corporate Identification Number (CIN): L99999MH1951PLC008485  
Regd Office: 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610, Maharashtra, India.  
Tel: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net

Name of the member (s): .....
Registered address: .....
E-mail Id: .....
Folio No/ Client Id: ..... DP ID: .....

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

1. Name: ..... E-mail ID: .....  
Address: .....  
..... Signature: ..... or failing him/her
2. Name: ..... E-mail ID: .....  
Address: .....  
..... Signature: ..... or failing him/her
3. Name: ..... E-mail ID: .....  
Address: .....  
..... Signature: .....

p.t.o.

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Sixty Third Annual General Meeting of the Company, to be held on Wednesday, September 30, 2015 at 3.00 p.m. at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolu tion No.	Description	Optional*	
		For	Against
1	To receive, consider and adopt: (a) the audited Financial Statements (Standalone) of the Company for the financial year ended March 31, 2015 Report of the Board of Directors' and the Auditors thereon and (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 along with report of the Auditors thereon.		
2	To declare a Final Dividend on equity shares (₹ 5 per equity share) of ₹ 10 each for the financial year ended March 31, 2015.		
3	To appoint a Director in place of Mr. Satish Varma (DIN – 00003255), who retires by rotation and being eligible offers herself for re-appointment.		
4	To ratify the appointment of Statutory Auditors and to fix their remuneration		
5	To consider and approve re-appointment of Mr. Krishna Datla (DIN:00003247) as Managing Director		
6.	To consider and adopt revised Articles of Association of the Company to align with the form of Articles specified in Table F of Schedule I to the Companies Act, 2013.		
7	To consider and approve increase in borrowing powers of the Company.		

Signed this .....day of .....2015 Signature of Shareholder:.....

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

Notes:

Affix Revenue Stamp of Re. 1
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- \* 1. It is optional to put a 'X' (optional) in the Box in the appropriate column against the respective resolutions. In case you opt to leave 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. A person can act as proxy on behalf of not more than 50 [fifty] Members and holding in aggregate not more than 10% [ten percent] of the total Share Capital of the Company. Members holding more than 10% [ten percent] of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) - 400 610 not later than 48 hours before the commencement of the aforesaid meeting.



THANE ONE - CORPORATE BUSINESS IT/ITES PARK