



CIN: L99999MH1951PLC008485

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

Tel.: +91- 22- 6798 0888 • Fax : +91- 22- 6798 0899 • Email : contact@dil.net • Website : www.dil.net

Ref: DIL:DIL/BSE/2016-17/F.No.: S-23/ DE05

October 20, 2016

Corporate Relations

**The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001**

Dear Sir,

Sub: Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Ref: Company Code No – 506414

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report 2015-16 as approved and adopted in the Annual General Meeting of the Company held on September 27, 2016 as per the provisions of the Companies Act, 2013.

Kindly take the above on records and oblige.

Thanking You,

Yours faithfully,
For DIL LIMITED

Srikant N. Sharma

Company Secretary

CS Membership No: F3617

Office Add:

DIL Complex,

Ghodbunder Road, Majiwada,

Thane (W) 400610

Encl: As above



64th ANNUAL REPORT 2015-2016



CHAIRMAN EMERITUS

Mr. G.G. Desai

BOARD OF DIRECTORS

Mr. Sanjay Buch

Chairman and Independent Director

Mr. Vinayak Hajare

Independent Director

Ms. Rajeshwari Datla

Non-Executive Director

Mr. Satish Varma

Non-Executive Director

Mr. Krishna Datla

Managing Director

COMPANY SECRETARY

Mr. Srikant N. Sharma

CHIEF FINANCIAL OFFICER

Mr. 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
Axis Bank Limited

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

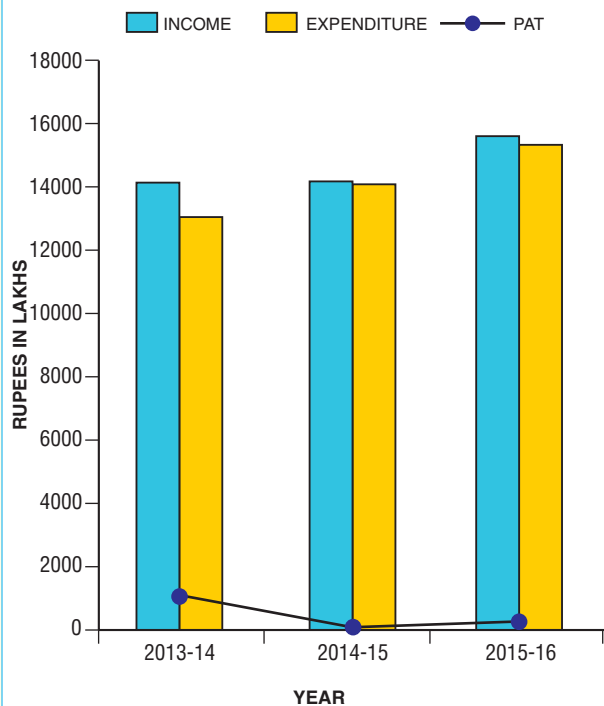
www.dil.net
www.thaneone.com
www.fermentabiotech.com
www.whitestripes.biz
www.zelalife.com

REGISTRAR AND TRANSFER AGENTS

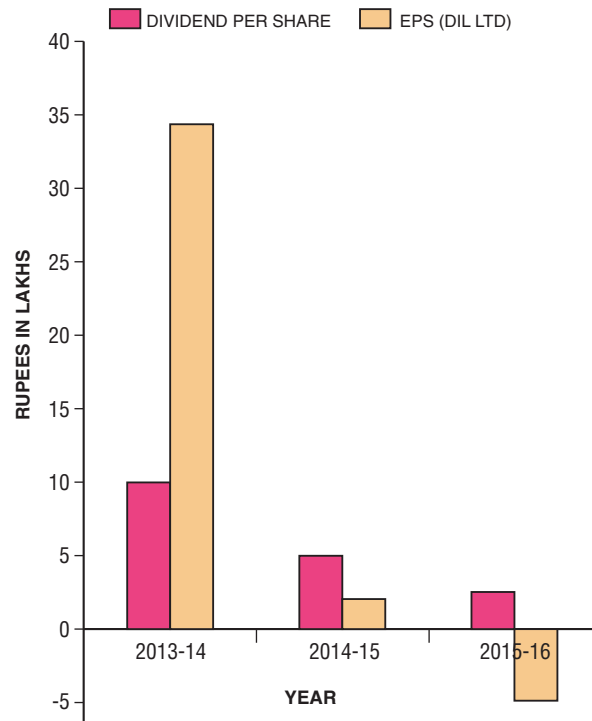
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078, Maharashtra, India.
Tel No : +91 22 2594 6970
Fax No : +91 22 2594 6969
Email : rnt.helpdesk@linkintime.co.in

FINANCIAL HIGHLIGHTS - CONSOLIDATED

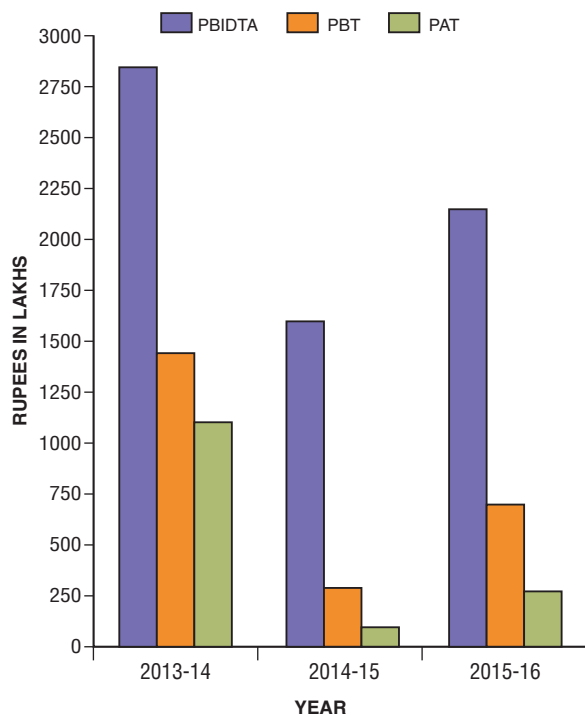
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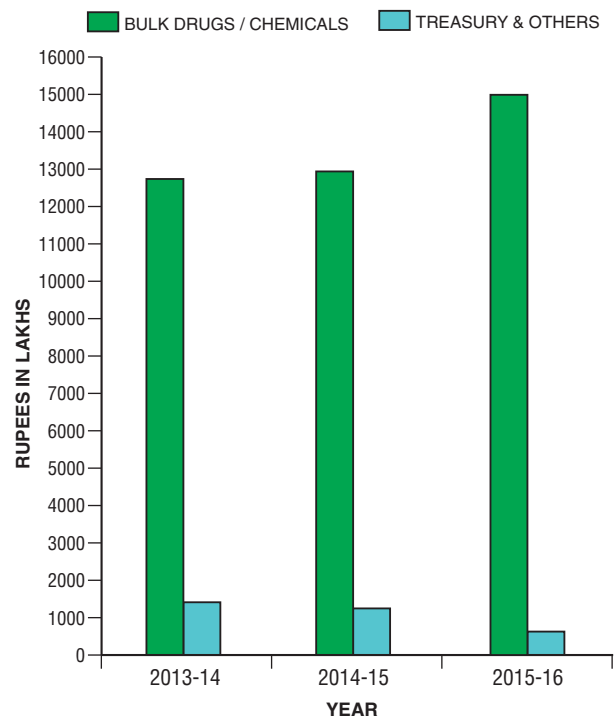
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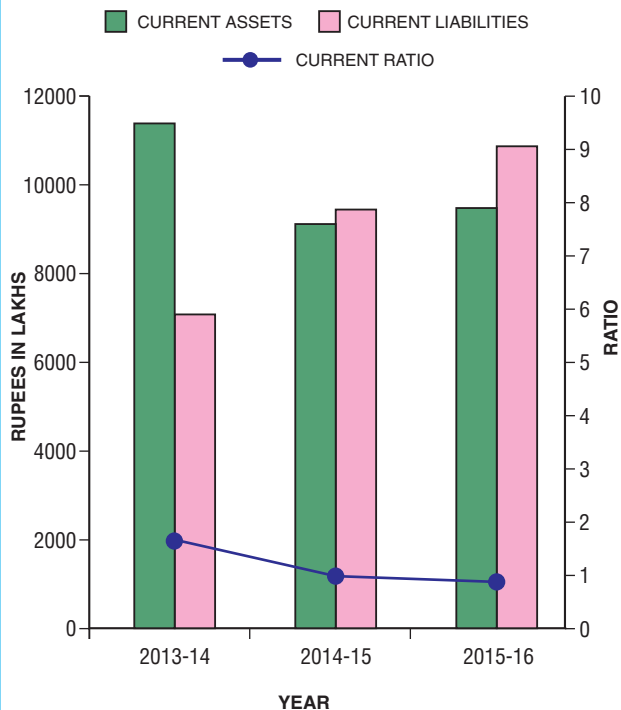
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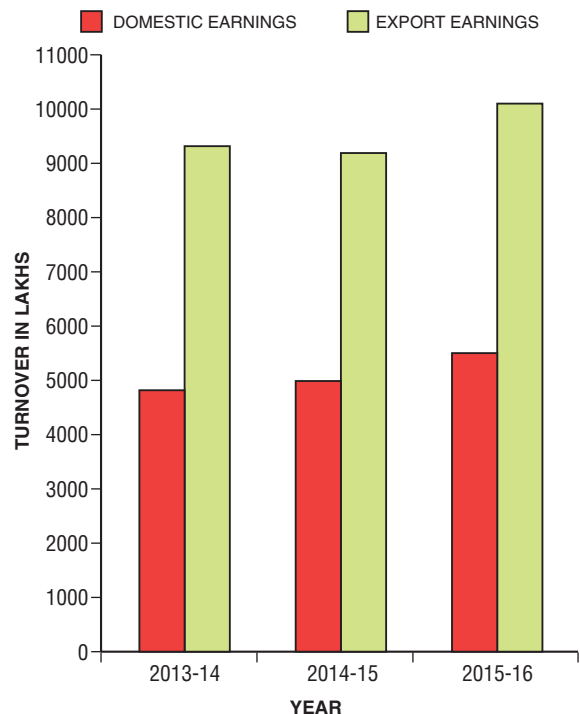
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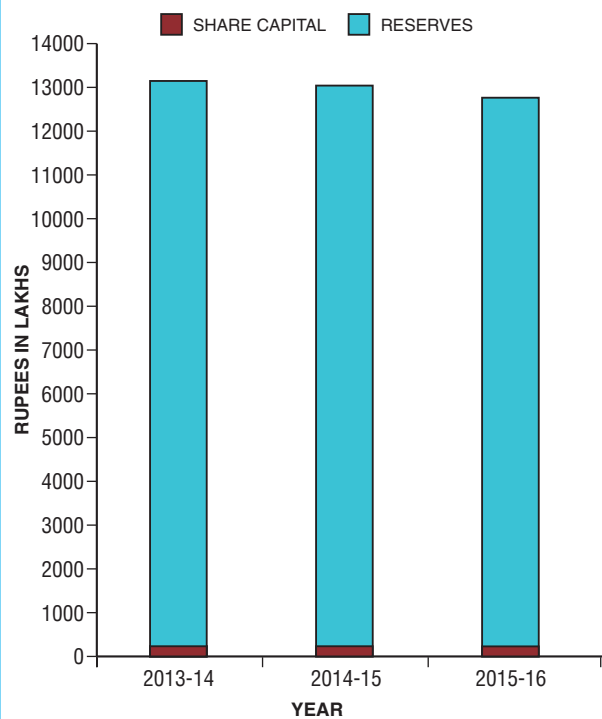
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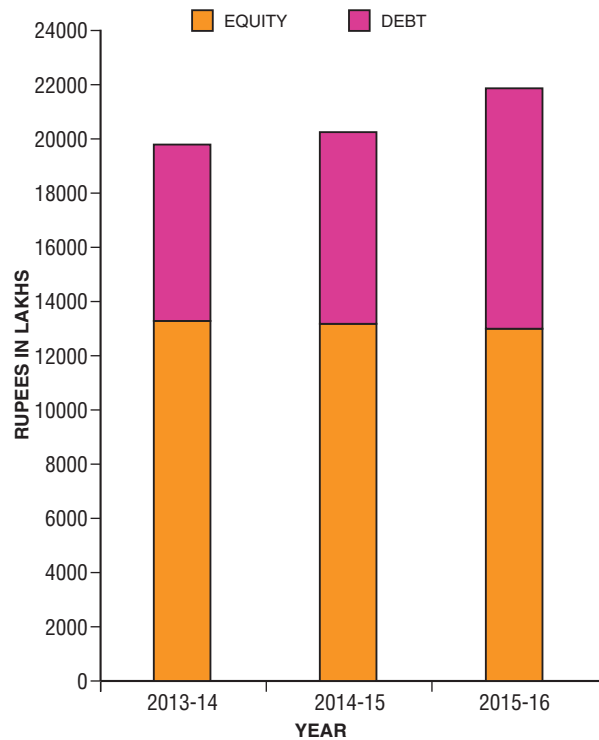
DOMESTIC & EXPORT EARNINGS



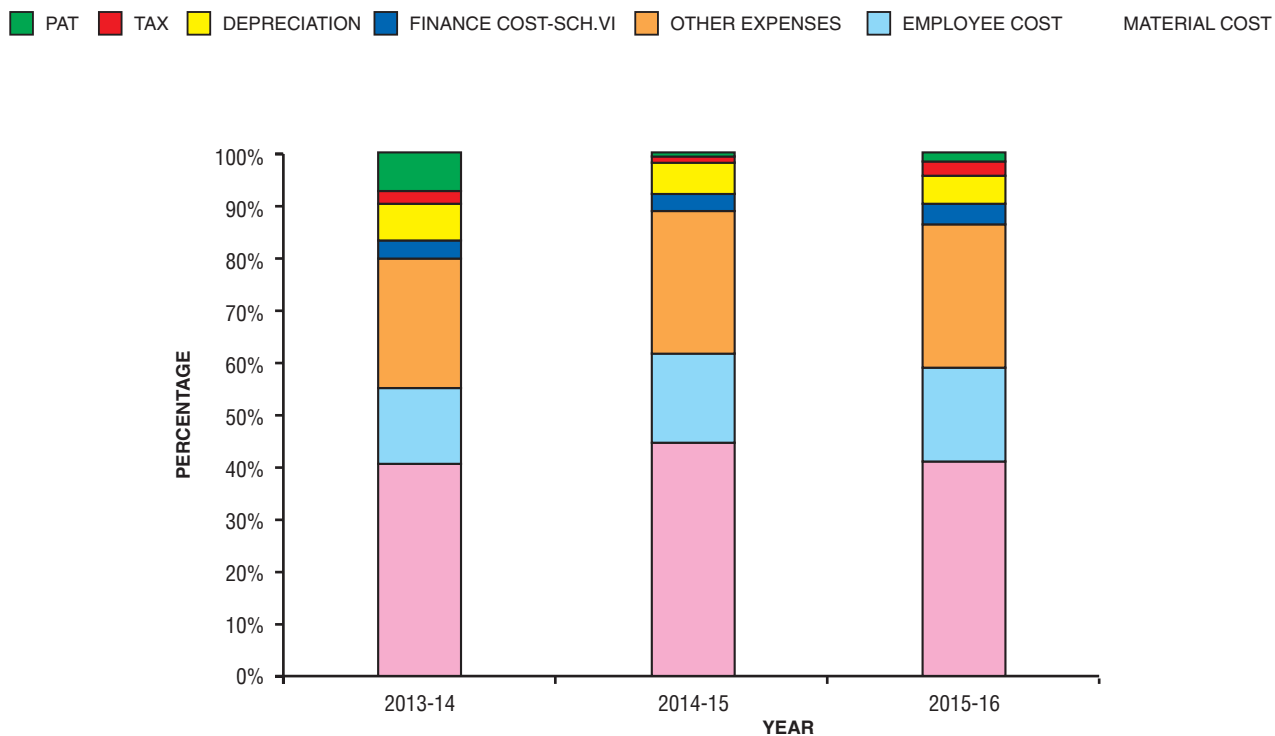
SHAREHOLDERS FUND



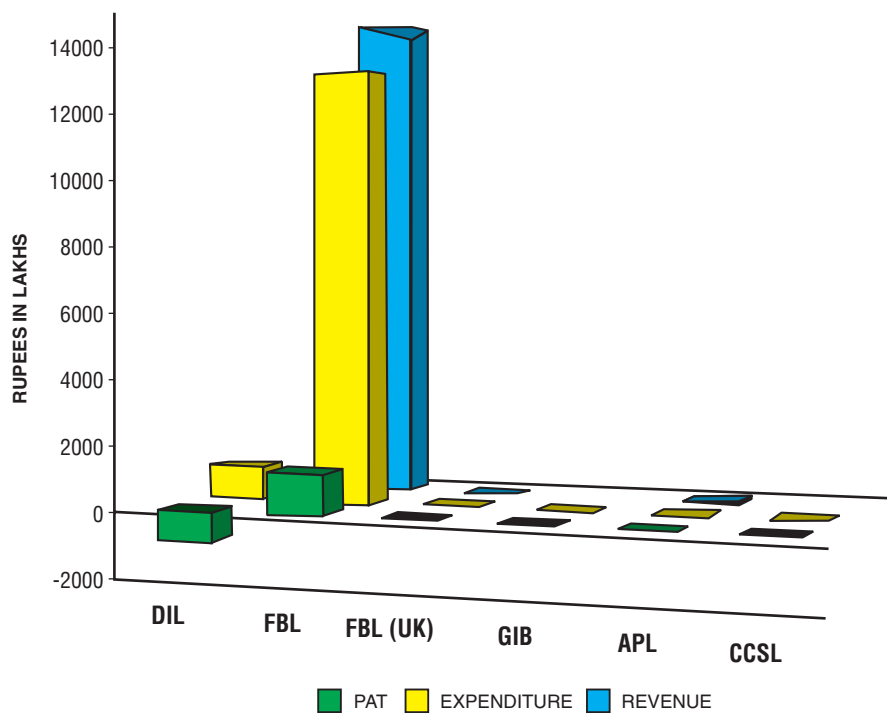
DEBT & EQUITY



DISTRIBUTION OF REVENUE 2015-16



PERFORMANCE OF DIL & ITS SUBSIDIARY COMPANIES 2015-16



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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-Fourth 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 Tuesday, September 27, 2016 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, 2016, Reports of the Board of Directors and the Auditors thereon; and
 - (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 along with Report of the Auditors thereon.
2. To declare final dividend on equity shares (₹ 2.50 per equity share) of ₹ 10 each for the financial year ended March 31, 2016.
3. To appoint a Director in place of Ms. Rajeshwari Datla (DIN – 000046864), who retires by rotation and being eligible offers herself for reappointment.
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 62nd Annual General Meeting of the Company, the appointment of SRBC & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/E300003) to hold office from the conclusion of this 64th Annual General Meeting (AGM) be and is hereby ratified until the conclusion

of 65th 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

"RESOLVED THAT pursuant to provisions of Section 180(1)(a) 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) and the Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the Company be and is hereby accorded to pledge, mortgage or create charge in addition to mortgage/charge created by the Company including sale or other modes of disposal of all or any part of the movables and/or immovable properties of the Company, both present and future, and on such terms and conditions as may be deemed fit and appropriate by the Board in favour of Bank(s), Financial Institution(s) and/or any other lender(s) to secure the borrowings of the Company, from time to time, upto ₹100,00,00,000 (Rupees One Hundred Crores), for the due payment / repayment of the principal amount borrowed by the Company together with its interest, charges, costs, expenses and all other monies payable by the Company;

RESOLVED FURTHER THAT the Board of Directors including any committee thereof (hereinafter referred to as the 'Board') be and is hereby authorised to take such steps as may be necessary and to settle all matters arising out of and incidental thereto, sign and execute deeds, applications and documents 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."

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

"RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to deliver the documents to a member through a particular mode, by charging from such member, an amount equivalent to the actual expenses of documents pursuant to request made by such member for delivery of such document to him/her through such mode of service and other reasonable incidental expenses as may be incurred by the company, provided such request along with the requisite fee / expenses has been duly received by the Company at least two weeks in advance of the dispatch of the document by the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give 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 12, 2016.

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 64TH ANNUAL GENERAL MEETING (AGM). A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person cannot act as a proxy for any other member. Proxy submitted on behalf of any company, society, entity 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 AGM till the conclusion of the AGM, a member would be entitled to inspect the proxies received by the Company, 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 of the Company will remain closed from Wednesday, September 21, 2016 to Tuesday, September 27, 2016 (both days inclusive) for the purpose of payment of final equity dividend for the financial year 2015-16.
5. Subject to the provisions of the Act, the final equity dividend as recommended by the Board of Directors, if declared at the AGM will be paid on or after October 3, 2016 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 Tuesday, September 20, 2016 and
 - (b) as beneficial owners as at the end of business hours on Tuesday, September 20, 2016 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialised form.
6. Members are requested to avail National Electronic Clearing Service (NECS) facility for quick remittance of dividends in order to avoid postal delay and fraudulent interception of dividend warrants. NECS mandate forms are available at the Company's Registrar and Transfer Agent (R&T Agent) website or the members may write to the R&T Agent for the same.
7. Unclaimed final dividends (2007-08) and Interim Dividend (2008-09) have already been transferred to Investor Education and Protection Fund (IEPF). Members are hereby informed that dividend, which remain unclaimed/ unencashed over a period of seven (7) years from the date of declaration, will be transferred to the IEPF as per Section 124 of the Act. Members are hereby informed that no claims will be entertained by the Company for any unclaimed dividend transferred to IEPF. The details of unclaimed dividends and its due dates for transfer to IEPF are available on the website of the Company i.e <http://www.dil.net/Unpaid-Dividend.html>. Members who have not claimed their dividend so far in respect of the unclaimed dividend(s) due for transfer to IEPF are requested to write to the Company's R&T Agent, well in advance of the respective due dates.
8. The profile of the Director recommended for reappointment at the AGM under item no. 3 of the Notice, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) as specified by the Institute of Company Secretaries of India and approved by the Central Government, is furnished in the Corporate Governance Report.

9. (a) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection at the venue of the AGM.
- (b) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open 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, up to the date of the 64th AGM of the Company.
10. 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 with its R & T Agent. In case of shares held in dematerialised form, the nomination may be lodged with the Depository Participant. The above form is available at the R&T Agent's website or will be made available on request.
11. The 64th 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', members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent.
12. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, 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 Central Depository Services Limited (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 (xx) on page no. 139 and 140 of Annual Report and Other Instructions mentioned in point 12(B) below to cast their vote electronically (e-voting) and through ballot form.
- (B) Other instructions for e-voting:
 - i. The e-voting period commences on September 24, 2016 (9.00 a.m. IST) and ends on September 26, 2016 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on September 20, 2016, may cast their vote through remote e-voting facility. The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on September 26, 2016. 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 AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again.
 - ii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 20, 2016.
 - iii. In case the members have any queries or issues regarding e-voting, they may refer the 'Frequently Asked Questions' ("FAQs") and e-voting manual available at www.evotingindia.com under 'Help Section' or write an email to helpdesk.evoting@cdslindia.com.
 - iv. Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed 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 26, 2016 (5.00 p.m. IST). Ballot Form received after the said date shall be treated as invalid.

- v. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot Form. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
- vi. Mr. V.N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and Ballot Forms in a fair and transparent manner.
- vii. The facility for voting through Ballot Forms will be made available at the AGM. The members attending the AGM and have not voted will be able to exercise their voting rights at the AGM through Ballot Forms.
- viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- ix. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dil.net and on the website of CDSL, www.cdslindia.com within three days of passing of resolutions at the 64th AGM of the Company and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are listed.

13. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company Secretary at the Registered Office of the Company at least one week before the date of the 64th AGM, in order to make the information available at the AGM.

14. Members / proxies are requested to bring their copies of the Annual Report along with the attendance slip, duly filled in, for attending the AGM.

15. The route map (including the prominent landmark) for easy location of the AGM venue is provided on page no 136 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 12, 2016.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 ('Act')

Item No. 5:

As per section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, only with the consent of the Company by special resolution.

In order to meet the Company's existing and future financial requirements, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or such other Lenders as may be considered fit. The members, in the Annual General meeting of the Company held on September 30, 2015 has approved the borrowing limit of ₹100,00,00,000 (Rupees One Hundred Crores) as per the provisions of Section 180(1)(c) of the Companies Act, 2013.

In connection with the loan/credit facilities availed or to be availed by the Company, the Lenders have/ may have certain rights in respect of the Company's movable and immovable properties including the rights to sell/ dispose thereof as per the terms and conditions as may be mutually agreed between the Company and the Lender. In view of this, it is necessary to obtain approval of members pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013

The Board members 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 concerned or interested in this resolution.

Item no. 6:

As per the provisions of Section 20(2) of the Companies Act, 2013, a document may be served on any member by sending it by post or by registered post or by speed post or by courier or by delivery at his/her address registered in company's records or electronic mail or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which the member shall pay such fees in advance as may be determined by the members at the Annual General Meeting.

The cost of providing the documents may vary as per the mode of dispatch, weight of the document and the place of delivery of the document. Hence it is proposed that actual expenses of delivery of the documents through a particular mode and other reasonable incidental expenses as may be incurred by the Company be paid in advance by the member to the Company.

The Board recommends the Ordinary Resolution as set out in the Notice for approval of the members. None of the Directors and Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the said 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 12, 2016.

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors are pleased to present the 64th Annual Report along with the Audited financial statements for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

(Amount - ₹ in Lakhs)

	STANDALONE RESULTS		CONSOLIDATED RESULTS	
	2015 - 2016	2014 - 2015	2015 - 2016	2014 - 2015
Total Revenue	728.14	1,352.39	15,606.22	14,181.80
Total Expenditure	1,292.99	1,062.79	13,460.45	12,585.48
Profit before Interest, Depreciation, Amortization Expense and Tax ('EBIDTA')	(564.85)	289.60	2,145.77	1,596.32
Financial Cost	176.97	2.87	614.69	450.16
Depreciation and Amortization Expense	179.52	181.63	835.00	857.85
Profit before tax ('PBT')	(921.34)	105.10	696.08	288.31
Less : Provision for tax (including deferred tax)	(7.62)	32.24	424.82	192.93
Profit after tax ('PAT')	(913.72)	72.86	271.26	95.38
Minority interest	—	—	(329.81)	(7.29)
Share of interest in profit/(loss) of associates	—	—	(54.87)	(41.71)
Profit for the year	(913.72)	72.86	(113.42)	46.38
Balance brought forward *	3,706.28	3,771.42	5,988.78	6,080.40
Balance for appropriations	2,792.56	3,844.28	5,875.36	6,126.78
Appropriations				
Proposed Dividend	(57.33)	(114.66)	(57.33)	(114.66)
Dividend Distribution Tax	(11.67)	(23.34)	(11.67)	(23.34)
Balance in Statement of Profit and Loss account	2,723.56	3,706.28	5,806.36	5,988.78

* Net of adjustment of effect of depreciation

RESULTS FROM OPERATIONS

RESULTS FROM OPERATIONS

During the year under review, the Company on a Standalone basis earned revenue of ₹728.14 lakhs, (Previous year ₹1,352.39 lakhs). In 2015-16, the Company reported a loss of ₹(913.72) as against a profit after tax of ₹72.86 lakhs in the previous year.

The Company on a consolidated basis recorded revenue of ₹15,606.22 lakhs in the financial year 2015-2016 (Previous year ₹14,181.80 lakhs). In the financial year 2015-16, the profit after tax was ₹ 271.26 lakhs as against ₹95.38 lakhs in the previous year.

DIVIDEND

Your Directors are pleased to recommend a final equity dividend of ₹2.50 per equity share of ₹10 each (25%) [previous year ₹5 per equity share] for the year ended March 31, 2016. Total cash outflow in relation to the equity share dividend will be ₹69 Lakhs (previous year ₹138 Lakhs), including dividend distribution tax of ₹11.67 Lakhs (previous year ₹23.34 Lakhs).

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2015-16 includes financials of its subsidiaries, joint venture entities and associate entities (collectively referred as 'Subsidiaries/ Associates') i.e. Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, Aegean Properties Limited, CC Square Films Limited (Subsidiaries), Vasko Glider s.r.o. and Agastya Films LLP (joint venture entities); Health and Wellness India Private Limited and Zela Wellness Private Limited (associate entities). The consolidated financial statements of the Company and its Subsidiaries/ Associates entities are prepared in accordance with the relevant Accounting Standards (AS) i.e. AS 21, AS 23 and AS 27, issued by the Institute of Chartered Accountants of India, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 ('Act'), shall form part of this Annual Report.

SUBSIDIARY COMPANIES

The individual financial statements and other reports of the Company's Subsidiaries/ Associates have not been attached to the financial statements of the Company for the financial year 2015-16. Any member seeking information on the annual financial statements of the Company's Subsidiaries/ Associates may write to the Company Secretary at the registered office of the Company.

The financial information of the Company's Subsidiaries/ Associates provided in this section may be read along with the information provided under the heading 'Consolidated Financial Statements' 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/ Associates in Form AOC I on page no. 30, of this report.

Agastya Films LLP, a film production entity, was incorporated on November 20, 2015 under the Limited Liability Partnership Act, 2008. Your Company is a partner in Agastya Films LLP, holding 50% of the total capital in Agastya Films LLP.

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

The financial statements of the Company's Subsidiaries/ Associates will be kept open for inspection at the registered office of the Company, from 9.00 a.m. to 5.00 p.m. on all working days, except Saturdays and Sundays, up to the date of the 64th AGM of the Company.

The standalone and consolidated financial statements of the Company, along with the financial statements of the Company's Subsidiaries/ Associates and its related information as attached to this report, have been uploaded on the website of the Company (www.dil.net).

Members interested in obtaining copies of the annual financial statements of each of the Company's Subsidiaries/ Associates, may write to the Company Secretary at the registered office address of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company during the financial year 2015-16 mainly include:

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

This MD&A section as discussed below, includes the management perspective and operational performance of the Company and its subsidiary, FBL.

The MD&A pertaining to pharmaceutical, biotech and environmental solutions are as follows:

Industry perspective:

In the backdrop of reforms initiated by the new government, interspersed with improved economic scenario, the Indian pharmaceutical sector is poised to consolidate its position as a key contributor to the global pharmaceutical industry. The Indian pharmaceutical sector accounts 2.4% of the global pharmaceutical industry in terms of value and 10% in terms of volume, including 20% contribution in global generics export. Factors like increased incidence of lifestyle and age related diseases have propelled the market demand dynamics while the improved technology in Active Pharmaceutical Ingredients (API) manufacturing processes with integrated novel processes including enzymatics have helped greatly to bridge the supply demand gap. The global API market is expected to touch US\$ 2051.51 billion by 2020 from US\$ 150 billion in 2015, with an expected Compound Annual Growth Rate (CAGR) of 6.5% during the forecasted period.

Indian biotechnology space is on a growth trajectory and has competitive advantage to expand across different business verticals in the ensuing years. Presently, the Indian biotech sector accounts 2% of the global biotech business. The Indian biotechnology industry, is valued at US\$ 7 billion and growing at a CAGR of 30%.

The active participation of the Government in effectively implementing the waste water discharge norms across municipal bodies, industrial, commercial and residential users has been the proactive driver for expanding the environmental solution segment. The above initiatives combined with public awareness and the accessibility to new age remediation technologies have nurtured a conducive environment for public-private participations as well as large scale corporate commitment in this segment.

Performance:

Despite the sustained business challenges, FBL stood its ground to post a standalone gross revenue of ₹14,973.46 lakhs, (Previous year ₹12,931.10 lakhs). The profit before tax for the year under review was ₹1,617.54 lakhs (previous year ₹189.40 lakhs) and profit after tax was ₹1,188.92 lakhs for the year under review

as against ₹32.60 lakhs in the previous year.

FBL's consolidated financials recorded revenue of ₹14,974.60 lakhs in the financial year 2015-2016 (Previous year ₹12,931.10 lakhs). The profit after tax was ₹1,180.76 lakhs as against ₹25.43 lakhs in the previous year.

Opportunities and Outlook:

The Indian pharmaceutical sector is growing at CAGR of 16.5%. Sustained and balanced growth is driven by various market demands like more prevalent lifestyle diseases, prolonged diseases management, affordable health care coupled with health insurance spectrum and preventive medicines. Cost advantages and availability of technical and skilled personnel in India are the key factors in projecting India as a major manufacturing hub for generic. India's generic accounts 20% of global exports in terms of volume, making our country as the largest provider of generic medicines globally.

The global industrial enzyme market is growing at a CAGR of 5%, which spans across various segments like food, pharma, textiles, feed and fine chemicals. The Indian enzyme players are experiencing a critical business momentum towards focused R&D and knowledge based innovation efforts in providing novel, eco-efficient enzymatic solutions to enable competitively sustainable processes. The industrial biocatalysis using enzymes for various antibiotics as well as valued added products is at a tipping point, which has already gone as a mainstream process and the commitment of more players into this new age manufacturing platform adds fillip to business competitiveness.

Stringent implementation of waste disposal standards across various industries, in combination with increased government participation on water reuse and recycling, is widening the business horizon for water & waste management and recycling segments. With a market size of over US\$ 4 billion, the Indian water and wastewater market is growing at 10-12 % a year.

Moving forward, FBL's increased production capacity combined with process efficiency will help to consolidate and to sustain its competitiveness advantages, amortize fixed cost effectively and will enhance the confidence of clients seeking long term supply arrangements. FBL continues to improve its

innovation, overall operational efficiency, widen its distribution network and to achieve increased market footprints, globally.

Threats and Concerns:

The Indian pharmaceutical industry has been facing stiff competitions from its Asian competitors which may be a constant feature going forward. Indian APIs manufacturers are working on various methods to mitigate the competitive strategies of the Asian competitors and one such major attempt is to reduce its dependency in relation to import of bulk drugs from Asian competitors.

Aggressive marketing strategy from principal competitors could affect short term realizations of FBL. Volatile price fluctuations of key raw materials may affect the overall pricing in general and more specifically of enzymatic products.

Implementation of environment projects with stringent regulatory norms and adherence to timelines has been challenging. Procuring and executing customized projects with specific requirements would be the key to stay competitive in environment business.

PROPERTY DEVELOPMENT AND RENTALS

Industry Perspective:

As reported earlier, the Government of Maharashtra introduced its new Information Technology/ Information Technology Enabled Services (IT/ITES) Policy in 2015. Further, in 2016, the Maharashtra Government has substantially broadened the definition of 'back office operation' by amending the IT/ITES Policy, 2015. The new back office operation definition includes administrative and support services of banks, insurance companies, mutual fund and non-banking finance companies and other support services.

With the introduction of the Real Estate (Regulation and Development) Act, 2016; this sector will witness regulated protection of interests of stakeholders and promote overall growth of the real estate sector in India.

The Union Budget 2016 has been reasonably conducive to real estate segment by taking into consideration

some of the sector's requirement though not in entirety. Fast growth of infrastructure, competitive rentals, better connectivity and proximity to important commercial and industrial areas in the Mumbai Metropolitan region, Thane's commercial office sector expects significant gains in the coming years.

Performance:

In 2015-16, your Company reported a decrease in rental income from ₹1,065.54 lakhs in the previous year to ₹613.31 lakhs in the year under review. Low revenue earnings in this segment are mainly due to the impact of no rent fit out period in Thane One, non renewal/termination of existing Licence agreements and stagnancy in rental income from Company's property.

The Occupation certificate for the Company's IT/ITES project, Thane One was issued by the Thane Municipal Corporation on December 31, 2015.

Opportunities and Outlook:

Planned developments, easy connectivity, good infrastructural supports and working class residents have projected Thane as a viable option to corporate houses to relocate their offices in and around Thane. Competitive rentals and minimizing commuting time between office and home – walk to work concept – in Thane are viewed positively by the business entities. These developments, coupled with overall improvement in the office space rentals and the convenient location of Thane One, would contribute to yield better rentals in Thane One office space activities.

Challenges and Concerns:

Delays in government approvals process and lack of a single-window clearance system mainly hinder completion of projects as per the planned time schedule. Delay in completion of projects leads to escalation of total project cost *vis a vis* interest cost. High cost of borrowings is also a major challenge to the real estate sector. Matching needs of demanding and cost conscious clients and to close such transactions is challenging in the growing and competitive office rental space.

ENTERTAINMENT DIVISION

(WHITE STRIPES ENTERTAINMENT):

Industry Perspective:

The Indian media and entertainment sector grew 12% to reach \$25.13 billion (₹1.68 trillion) in 2015, according to Pricewaterhouse Coopers (PwC)'s Global Entertainment and Media Outlook 2016-20. This industry is expected to exceed US\$ 40 billion by 2020 growing at an average annual rate of 10.3% between 2016 and 2020. In terms of admission, India will remain the largest cinema market in the world till 2020, with a CAGR of 6.6%.

Performance:

In 2015-16, the Company has entered into a strategic partnership with an Indian entity to produce a hindi film which is currently under production. Creating good content and owning intellectual rights are the areas identified by the company to meet the future industry requirement and to mitigate the challenges of the industry in order to expect good returns in the future.

Opportunities and Outlook:

The Indian film industry is expected to touch US\$3.4 billion by 2019, at a CAGR of 11.2 per cent. Increasing digital screens and innovative screening of films are expected to propel the growth of the industry. Government's policies like ease of doing business and amending regulations to suit the requirements of the entertainment industry will foster the growth of the sector. With these changing industry landscapes, White Stripes would evaluate projects, including the strategic partnership with an international production house for the Company's remake rights.

Concerns and challenges:

Considering the population and appetite for cinema, India remains underserved in terms of multiplexes and screens in the country. Screen growth, high tax structure and real estate prices are impacting the growth of the entertainment industry. Increased competition from regional and foreign films and menace of piracy has been affecting the revenues of this industry. Unless the film fraternities join hand, piracy shall remain a nagging problem.

Treasury Operations:

As reported earlier, the Company has been divesting

its mutual funds and fixed deposits investments on need basis to meet the project cost of Thane One. In the year under review, the investment committee evaluated investment proposals in terms of the approved principles and statutory regulation governing such investments. In 2015-16, the revenue earned from treasury operations dropped to ₹114.64 lakhs (Previous year ₹281.25 lakhs), mainly due to divestment of investment corpus.

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. The Company's internal control systems are routinely tested and certified by Statutory as well as Internal Auditors. During the year under review, the Company's Internal auditors, M. M. Nissim & Co., Chartered Accountants, conducted and reported the effectiveness and efficiency of these systems including the adherence 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 procedures 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 along with the adequacy and effectiveness of Internal Control systems and suggest improvements and corrective actions.

HUMAN RESOURCES

The Company continues to focus on-the-job trainings, competency building, reward and retention programmes. Mapping competencies and performance management of employees are conducted through various innovative programmes for development and operational growth of the employees and the Company.

The Company conducts various relation building activities outside of routine job responsibilities with an objective to improve employees' motivation and to reinforce employer and employees trusting relationship.

Your Company in the financial year 2015-2016 closed with a stable headcount of 43 personnel across all levels.

The provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') read with Section 197 (12) of the Act is not applicable, as no employee of the Company has received remuneration equivalent or exceeding the limits specified therein, during the year under review.

The information required under Rule 5(1) of the aforesaid Rules read with Section 197 (12) of the Act in respect of ratio of the remuneration of each director to the median employee's remuneration and other details (collectively referred as 'Employee Information') forms part of this report. However, in terms of Section 136 of the Act, this report including financial statements is being sent to the members and others entitled thereto, excluding the Employees Information. Members can inspect the said information at the Registered Office of the Company during business hours on any working day (excluding Saturdays) up to the date of this 64th Annual General Meeting (AGM) or can obtain its copy by writing to the Company Secretary at the registered office address of the Company.

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

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 various locations with state-of-the-art technology and has been incorporating new technologies into the system. In addition, mobility solution and support has played a key role in achieving improved deliverables in Company's operations and objectives. Your Company continues to drive resilience through targeted remediation of high risk operating systems, applications and its related areas. Annual Application & Control audits are undertaken to ensure consistent remediation of any business and process risks. Alongside

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

DEPOSITS

In 2015-16, your Company has not accepted any fixed deposits and no principal or interest is due to the public as on March 31, 2016.

CREDIT RATING

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

DIRECTORS

Independent Directors:

The Independent Directors have made declarations to the Company, confirming that the conditions of independence laid down in sub section 6 of section 149 of the Act and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are duly complied.

Retirement by rotation:

Ms. Rajeshwari Datla (DIN – 00046864), retires by rotation at the Annual General Meeting and being eligible, offers herself for re-appointment. Brief profile of Ms. Rajeshwari Datla is provided on page no. 33 of this Annual Report.

Directors and Key Managerial Personnel:

No Director or Key Managerial Personnel resigned or was appointed during the year under review.

AUDITORS

The members in the 62nd AGM of the Company held on September 24, 2014 approved the appointment of SRBC & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/E300003) as Statutory Auditors of the Company to hold office from the conclusion of 62nd Annual General Meeting (AGM) until the conclusion of 65th 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 to act as Statutory Auditors of the Company for the financial year 2016-17. The qualifications made by the Auditors in their report and the justification of the Board is provided in Page No. 39 of this Annual Report.

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 2015-16 as per the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 sub-section 5 of Section 134 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, 2016 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) Appropriate accounting policies have been selected and applied consistently and judgments and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) The annual accounts for the financial year ended March 31, 2016 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, 2016

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.

INSIDER TRADING CODE

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

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

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration policy of the Company ('Remuneration Policy') *inter alia*, lays down the criteria for (a) appointment and payment of remuneration to Directors, Key Managerial Personnel and senior management of the Company; (b) criteria for appointment of Independent Director; and (c) evaluation of performance of Directors.

The brief details of the Remuneration Policy including the manner in which evaluation of Directors is conducted are provided in the Corporate Governance report, as annexed to this report. The Remuneration Policy can be viewed at Company's website at <http://www.dil.net/Company-Policies.html>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, as on March 31, 2016 are as follows:

Particulars	Amount (₹ in lakhs)
Loans given	13
Investment made	268
Corporate Guarantee given	-

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the year under review were on arms 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.

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

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. 38 to the Financial Statements.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 4 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report along with the Corporate Governance Certificate issued by Mr V. N. Deodhar (Membership No. FCS-1880), Proprietor of V.N. Deodhar & Co, Practising Company Secretaries is provided 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 Annual Report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure - 1 and forms an integral 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 to the employees of the Company at all levels, members, bankers, financial institutions, regulatory bodies and other business associates for their support during the year under review.

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Sanjay Buch
Chairman

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

August 12, 2016.

Annexure I :

ANNUAL REPORT ON 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 2015-16, as was approved by the CSR Committee and Board of Directors of the Company:

(a) Contribution to Prime Minister's National Relief Fund as relief measures

(b) Supported infrastructure facilities for orphanage in Thane.

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

2. The composition of CSR Committee as on March 31, 2016 is as follows :

Mr. Sanjay Buch - Chairman

Mr. Vinayak Hajare - Member

Mr. Krishna Datla - Member

Mr. Satish Varma - Member

3. The role of CSR Committee is as follows:

- a. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company.
- b. Recommending the amount of expenditure to be incurred on CSR activities of the Company.
- c. Reviewing the performance of Company in the area of CSR,
- d. Providing external and independent oversight and guidelines on the environmental and social impact of how the Company conducts its business,
- e. Monitoring CSR Policy of the Company from time to time,
- f. Monitoring the implementation of the CSR projects or programs or activities undertaken by the Company,

4. Average net profit of the company for last three financial years: ₹325.31 lakhs

5. Prescribed CSR Expenditure (two per cent of the amount as in item 4 above): Budgeted amount of ₹ 6.51 lakhs towards CSR activities including administrative expenditure not exceeding 5% of the CSR expenditure as actually incurred in the financial year 2015-2016.

6. Details of CSR spent during the financial year: ₹ 5.15 lakhs

(a) Total amount to be spent for the financial year: ₹ 6.51 lakhs

(b) Amount unspent, if any: ₹1.36 lakhs*

* As on the date of this report, there is no unspent amount, as ₹ 1.36 lakhs has been contributed to the Prime Minister's National Relief Fund.

(c) Manner in which the amount spent during the financial year 2015-16 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's National Relief Fund as relief measures	New Delhi	Contribution to the Prime Minister's National Relief Fund set up by the Central Government	₹ 2,00,000	Direct expenditure on projects	₹ 2,00,000	Direct
2	Supported infrastructure facilities for orphanage in Thane	Thane	Support for infrastructure facilities for an orphanage	₹ 3,14,650	Direct expenditure on projects	₹3,14,650	Direct

7. 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.

As on the date of this report, there is no unspent amount as ₹1.36 lakhs has been contributed to the Prime Minister's National Relief Fund.

8. 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 12, 2016.

Annexure: II

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2016

[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: +91-22-6798 0800/888 Fax: +91-22-6798 0899 Email: contact@dil.net Website: www.dil.net
6	Whether listed company: Yes / No	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078, Maharashtra, India Tel: 91 22 25946970 Fax: 91 22 25946969 Email: rnt.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	84.25%
2	Treasury operations	66	15.75%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Holding Company:					
1.	DVK Investments Private Limited #	U67120MH2003PTC141695	Holding Company	53.91%	Section 2(46)
Direct Subsidiaries:					
2	Aegean Properties Limited #	U45200MH1995PLC084766	Subsidiary Company	100%	Section 2(87)
3	CC Square Films Limited #	U93000MH2011PLC212089	Subsidiary Company	100%	Section 2(87)
4	Fermenta Biotech Limited (FBL) #	U99999MH1986PLC134021	Subsidiary Company	70.15% (refer Note below)	Section 2(87)
Step down Subsidiaries:					
5.	Fermenta Biotech (UK) Limited Charter House, 8-10 Station Road, Manor Park, London-E12 5BT	Foreign Company Registration No.: 3308303	Subsidiary Company [100% subsidiary of FBL]	–	Section 2(87)
6.	G. I. Biotech Private Limited #	U24230MH2004PTC148220	Subsidiary Company [62.50% subsidiary of FBL]	–	Section 2(87)
Associate Entities:					
7	Health and Wellness India Private Ltd. Zela Health Clubs, No. 133 & No. 133/1, Residency Road, Bangalore - 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 ID: 27217027	Joint Venture Entity	50%	Section 2(6)
10	Agastya Films LLP#	AAF-1964	Joint Venture Entity	50%	Section 2(6)

All having their registered office address at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane(W), Maharashtra - 400610

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

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

i) Category-wise Share Holding

Category of 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	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	1,99,085	–	1,99,085	8.68	1,99,085	–	1,99,085	8.68	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	12,36,235	–	12,36,235	53.91	12,36,235	–	12,36,235	53.91	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	14,35,320	–	14,35,320	62.59	14,35,320	–	14,35,320	62.59	–
(2) Foreign	–	–	–	–	–	–	–	–	–
a) NRIs – Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A)(2)	0		0	0	0		0	0	0
Total shareholding of 'Promoter (1+2)	14,35,320	-	14,35,320	62.59	14,35,320	-	14,35,320	62.59	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	10	7	17	0	10	7	17	0	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others :Foreign Bank	–	157	157	0.01	–	157	157	0.01	–
Sub-total (B)(1)	10	164	174	0.01	10	164	174	0.01	–
2. Central Government/ State Government(s)/ President of India	–	–	–	–	–	–	–	–	–
Sub-total (B)(2)	–	–	–	–	–	–	–	–	–

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	
3. Non Institutions									
a) Bodies Corp.									
i) Indian	1,00,155	1,167	1,01,322	4.42	92,490	1,167	93,657	4.08	(0.34)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,43,073	77,058	5,20,131	22.68	4,07,499	75,477	4,82,976	21.06	(1.62)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,31,491	—	2,31,491	10.09	2,36,391	—	2,36,391	10.31	0.22
c) Others:									
Clearing member	847	—	847	0.04	13,231	—	13,231	0.58	0.54
NRI (repatriable)	1,134	82	1,216	0.05	988	82	1,070	0.05	—
Non resident (non repatriable)	2,697	—	2,697	0.12	7,547	—	7,547	0.32	0.20
Hindu Undivided Family (HUF)	—	—	—	—	22,832	—	22,832	1.00	1.00
Sub-total (B)(3)	7,79,397	78,307	8,57,704	37.4	7,80,978	76,726	8,57,704	37.4	—
Total Public Shareholding (B)=(B)(1) + (B)(2) + (B)(3)	7,79,407	78,471	8,57,878	37.41	7,80,988	76,890	8,57,878	37.41	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	22,14,727	78,471	22,93,198	100	22,14,727	78,471	22,93,198	100	—

(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	1,99,085	8.68	—	1,99,085	8.68	—	—

(iii) Change in Promoters' Shareholding:

There is no change in the Promoters' shareholding during the financial year 2015-16.

(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 (01.04.15)/ end of the year (31.03.16)		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	85002 85002	3.71 3.71	01.04.15 31.03.16			85002	3.71
2	MAHAVIR L MEHTA	25058 27918	1.09 1.22	01.04.15 04.12.15 29.01.16 05.02.16 19.02.16 31.03.16	 1500 100 100 1050 110	 P P P P P	26558 26658 26758 27808 27918	1.16 1.16 1.17 1.21 1.22
3	ANUPAMA DATLA DESAI	26499 26499	1.16 1.16	01.04.15 31.03.16			26499	1.16
4	IMRAN S CONTRACTOR	24219 24219	1.06 1.06	01.04.15 31.03.16			24219	1.06
5	NAJMUDDIN GULAMHUSEIN KHERAJ	20000 22040	0.87 0.96	01.04.15 05.06.15 19.06.15 17.07.15 20.09.15 19.02.16 26.02.16 31.03.16	 1500 100 150 40 111 139 -	 P P P P P P -	21500 21600 21750 21790 21901 22040 22040	0.94 0.94 0.95 0.95 0.96 0.96 0.96
6	ASHMAVIR FINANCIAL CONSULTANTS PRIVATE LIMITED	15126 15126	0.66 0.66	01.04.15 31.03.16	-	-	15126	0.66
7	DOTCH SALES PRIVATE LIMITED	15000 15000	0.65 0.65	01.04.15 31.03.16	-	-	15000	0.65
8	RAHAT HASSAN THARANI WITH IMRAN SHAUKAT CONTRACTOR	11151 11151	0.49 0.49	01.04.15 31.03.16	-	-	11151	0.49
9	PREETI THAKKAR	11057 11057	0.48 0.48	01.04.15 31.03.16	-	-	11057	0.48
10	DUPEN LABORATORIES PRIVATE LIMITED	10364 10364	0.45 0.45	01.04.15 31.03.16	-	-	10364	0.45

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	1,99,085	8.68	01.04.15				
		1,99,085	8.68	31.03.16	–	–	1,99,085	8.68
2.	RAJESHWARI DATLA	28,665	1.25	01.04.15				
		28,665	1.25	31.03.16	–	–	28,665	1.25

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	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
Change in Indebtedness during the financial year				
– Addition	2,454.27	244.23	–	2,698.50
– Reduction	1,016.14	–	–	1,016.14
Net Change	1,438.13	244.23	–	1,682.36
Indebtedness at the end of the financial year				
i) Principal Amount	4,973.39	244.23	–	5,217.62
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	16.90	1.75	–	18.65
Total (i+ii+iii)	4,990.29	245.98	–	5,236.27

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director
1.	Gross salary	Mr. Krishna Datla
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 66,72,836
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 3,56,414
	(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)	₹ 9,46,715
	Total (A)	₹ 79,75,965
	Ceiling as per the Act	The total remuneration paid to the Managing Director is within the limits prescribed under the Companies Act, 2013

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Mr. Sanjay Buch	Mr. Vinayak Hajare	
	• Fee for attending board / committee meetings	₹1,80,000	₹1,80,000	₹3,60,000
	• Commission	—	—	—
	• Others	—	—	—
	Total (1)	₹1,80,000	₹1,80,000	₹3,60,000
2.	Other Non-Executive Directors	Ms. Rajeshwari Datla	Mr. Satish Varma	
	• Fee for attending board/ committee meetings	₹1,45,000	₹1,30,000	₹2,75,000
	• Commission	—	—	—
	• Others	—	—	—
	Total (2)	₹1,45,000	₹1,30,000	₹2,75,000
	Total (B) = (1+2)			₹6,35,000
	Total Managerial remuneration (A+B)			₹86,10,965
	Ceiling as per the Act	The total fees to Directors payable for attending meetings are within the limits prescribed under the Companies Act, 2013		

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

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	₹25,26,308	₹52,17,900	₹77,44,208
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	₹28,800	₹39,600	₹68,400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	— as % of profit	—	—	—
	— others	—	—	—
5.	Others (Contribution to Funds)	₹2,09,002	₹4,29,160	₹6,38,162
	Total	₹27,64,110	₹56,86,660	₹84,50,770

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		NIL	NA		
1. Penalty					
2. Punishment					
3. Compounding					
B. DIRECTORS		NIL	NA		
1. Penalty					
2. Punishment					
3. Compounding					
C. OTHER OFFICERS IN DEFAULT		NIL	NA		
1. Penalty					
2. Punishment					
3. Compounding					

Form AOC-I

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	(₹ In Lakhs)				
1	Name of the subsidiary:	Fermenta Biotech Limited	Aegean Properties Limited	CC Square Films Limited	G I Biotech Private Limited	Fermenta Biotech (UK) Limited
2	The date since when subsidiary was acquired	30.06.1988	01.02.2002	10.01.2011	25.08.2004	10.09.2002
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	–	–	–	–	–
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	Pound Sterling £ (Exchange Rate : 1 GBP = 95.43840 INR) for Balance Sheet and 98.44100 INR for Profit and Loss account as on 31.03.2016
5	Share capital	1,770.45	30.00	5.00	1.00	183.60
6	Reserves & surplus	7,280.62	64.78	(9.03)	(0.20)	(41.02)
7	Total assets	5,775.38	94.89	0.09	7.87	145.04
8	Total Liabilities	6,724.31	0.11	4.12	7.07	2.46
9	Investments	186.62	–	–	–	–
10	Turnover	14,979.11	18.00	-	-	1.14
11	Profit before taxation	1,617.52	9.91	(1.70)	(1.02)	(5.50)
12	Provision for taxation	428.61	3.89	-	(0.06)	-
13	Profit after taxation	1,188.92	6.02	(1.70)	(0.96)	(5.50)
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	70.15%	100%	100%	62.50% subsidiary of FBL	100% subsidiary of FBL

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

Name of Associates	Health and Well- ness India Pvt Ltd	Zela Wellness Limited	–	–
Name of Joint Ventures	–	–	Vasko Glider s.r.o.	Agastya Films LLP
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2. Date on which the Associate or Joint Venture was associated or acquired	02.02.2011	26.03.2012	15.04.2004	20.11.2015
3. Shares of Associate/Joint Ventures held by the company on the year end				
Number	30,12,504 Equity Shares	19,600 Equity Shares	N.A.	N.A.
Amount of Investment in Assoc- iates/Joint Venture (₹ in lakhs)	475.00	50.00	188.51	268.00
Extent of Holding %	47.15%	49%	50%	50%
4. Description of how there is significant influence				
5. Reason why the associate/joint venture is not consolidated	Being an Associate share of Profit and Loss is consolidated	Being an Associate share of Profit and Loss is consolidated	Being a Joint venture entity share of Profit and Loss Account and assets and liabilities are consolidated	Being a Joint venture entity share of Profit and Loss Account and assets and liabilities are consolidated
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	–	–	–	–
7. Profit / Loss for the year (₹ in Lakhs)	(72.90)	(44.53)	–	(0.17)
• Considered in Consolidation (₹ in Lakhs)	(54.87)	–	–	(0.09)
• Not considered in Consolidation (₹ in Lakhs)	–	–	–	–

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Company constantly strives towards betterment of aspects such as transparency, professionalism and accountability and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society at large. 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 as stipulated under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"). The Chairman of the Board is an Independent Director.

The Composition of the Board as on March 31, 2016 is as follows:

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

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

** Represents Memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee across all companies.

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

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

1) **Ms. Rajeshwari Datla**, Non-Executive Director

Ms. Rajeshwari Datla, aged about 66 years, a B.Sc graduate has rich experience in the Pharmaceutical Industry. Ms. Datla has been associated with the Company as member of the Board of Directors since July 21, 2005.

Ms. Rajeshwari Datla is a member of the Audit Committee of DIL Limited. Ms. Rajeshwari Datla was paid ₹1,45,000 during the financial year 2015-16 by way of sitting fees towards attending Board and Audit Committee meetings of the Company. She holds 28,665 equity shares (1.25%) 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.

Ms. Datla is a Director on the Board of Dupen Laboratories Private Limited and Lacto Cosmetics (Vapi) Private Limited, respectively.

BOARD MEETINGS / PREVIOUS ANNUAL GENERAL MEETING

- During the financial year under review, six Board Meetings were held on May 29, 2015, August 14, 2015, September 30, 2015, November 9, 2015, February 11, 2016 and March 18, 2016. The maximum gap between any two board meetings was less than 120 days, as stipulated under Regulation 17(2) of the SEBI Regulations.

Attendance at the six Board meetings and previous Annual General Meeting (AGM) held on September 30, 2015 is as follows:

Name	Board Meetings attended	Attendance at Previous AGM
Mr. Sanjay Buch	6	Yes
Ms. Rajeshwari Datla	6	Yes
Mr. Vinayak Hajare	6	Yes
Mr. Krishna Datla	6	Yes
Mr. Satish Varma	5	Yes

AUDIT COMMITTEE

- During the year under review, five Audit Committee meetings were held on May 29, 2015, August 14, 2015, November 9, 2015, February 11, 2016 and March 18, 2016. The representatives of the Auditor(s) and Chief Financial Officer also attended the Audit Committee meeting(s).

The composition of the Audit Committee as on March 31, 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. Sanjay Buch	Chairman	5
Ms. Rajeshwari Datla	Member	5
Mr. Vinayak Hajare	Member	5

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

The Company Secretary acts as Secretary to the Audit Committee.

• **Terms of reference:**

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

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

16. Review of financial statements of subsidiary companies, joint venture and associate companies.
17. Review substantial defaults in payments to stakeholders and creditors.
18. Review the functioning of the Vigil mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Any other functions as may be statutorily required.

NOMINATION AND REMUNERATION COMMITTEE

- During the year under review one Committee meeting was held on August 14, 2015.
- The Composition of the said Committee as on March 31, 2016 and the attendance of the Committee members in its meeting held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. Vinayak Hajare	Chairman	1
Mr. Sanjay Buch	Member	1
Mr. Satish Varma	Member	1

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. Devising a policy on diversity of Board of Directors
- d. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- e. Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees.
- f. Recommend whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- g. Any other terms of reference, role, responsibility and powers as may be prescribed from time to time (i) under the Companies Act, 2013 and rules made thereunder and the SEBI Regulations; and/or (ii) by the Board of Directors of the Company.

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

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

The Independent Directors and Non-Executive Directors of the Company shall be entitled for sitting fees

for attending Board meetings 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. The remuneration to Managerial Personnel is paid by way of salary, perquisites, commission and allowances. The Committee shall review the performance of the Company and the Managerial Personnel and may recommend the annual increment effective 1st April each year, for the approval of the Board. Remuneration including commission / annual increment, if any, shall be paid within the limits of the Act and/or salary range approved by the members. The remuneration paid to the Managerial Personnel is determined keeping in mind the benchmark of the industry and the performance of the Company as compared to the industry performance.

The remuneration of KMP, Senior management and other employees largely consist of basic salary, perquisites, statutory benefits, allowances and performance incentives. The remuneration components are governed by the industry pattern / benchmark, qualification and experience of each employee. The annual variable remuneration is linked to the performance of the Company and their individual performance. Perquisites and retirement benefits are paid according to the Company's policy.

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

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

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

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

• Details of remuneration of Directors for the financial year ended March 31, 2016 are as follows:

Name of Director	Sitting Fees *	Salary	Contribution to PF and other funds	Benefits & Perquisites	Total	No. of Shares held
	(₹)	(₹)	(₹)	(₹)	(₹)	
Mr. Sanjay Buch Independent Director	1,80,000	—	—	—	1,80,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	1,45,000	—	—	—	1,45,000	28,665
Mr. Vinayak Hajare Independent Director	1,80,000	—	—	—	1,80,000	NIL
Mr. Krishna Datla ** Managing Director	—	66,72,836	9,46,715	3,56,414	79,75,965	1,99,085
Mr. Satish Varma Non-Executive Director	1,30,000	—	—	—	1,30,000	NIL
TOTAL	6,35,000	66,72,836	9,46,715	3,56,414	86,10,965	2,27,750

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

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

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

The Non-Executive Directors receive 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).

STAKEHOLDERS RELATIONSHIP COMMITTEE

- During the year under review four Stakeholders Relationship Committee meetings were held on May 29, 2015, August 14, 2015, November 9, 2015 and February 11, 2016. The composition of the Committee as on March 31, 2016 and the attendance at the said Committee meeting is as follows:

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

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

• **Terms of Reference:**

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

- Redressal of Shareholders' grievances.
- Issue of duplicate Share Certificates.
- Review of Dematerialised shares.
- Transfer and Transmission of shares.
- Non-receipt of Annual Reports and declared dividends.
- Other matters related to shares and/or investor grievances.

SHAREHOLDER INFORMATION

- 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

Investor Complaints and their redressal

- The number of investor complaints received and resolved during 2015-2016 were 16.
- Pending complaints as on March 31, 2016 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
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.
2014-2015	September 30, 2015 at 3:00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400610.	1) Re-appointment of Mr. Krishna Datla as Managing Director for a period of three years commencing from May 9, 2015. 2) Adoption of revised Articles of Association of the Company to align with the form of Articles specified in Table F of Schedule I to the Companies Act, 2013. 3) Increase in Borrowing powers of the Company.

Postal Ballot

No special resolution was passed by way of Postal Ballot during the financial year ended March 31, 2016.

COMPANY POLICIES

VIGIL MECHANISM POLICY

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

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS (RPT Policy)

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

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

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

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

DISCLOSURES

- The risk management reports are periodically placed before the Audit Committee and Board of Directors for review, based on the system and procedures devised.
- During the last three years, there were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets.
- Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Regulations, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2016. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

• Reconciliation of Share Capital Audit

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

• Compliance with Mandatory Requirements

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

• Compliance with Discretionary Requirements as per Part E of Schedule II of the SEBI Regulations

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

- **Non-Executive Chairman's Office:** The Chairman's office is separate from the office of Managing Director.
- **Audit Qualifications & Board's justification:** The Company's Standalone and Consolidated financial statements for the year ended March 31, 2016 stated that the Company has not made provision for diminution in value of investments of two associates whose carrying value in standalone financial statements is ₹1,009 lakhs. In view of the fact that these investments have been made in the recent years and in spite of erosion of net worth. Management is confident that profitability will be achieved by these entities and hence there

is no permanent diminution in the valuation of these investments. Auditors have qualified their opinion in this regard.

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

The Company publishes its financial results on its website at www.dil.net which is accessible by the public at large. These financial results are also available on the website of the Bombay Stock Exchange Limited at www.bseindia.com. The Company's extracts of Standalone results for each quarter are published in an English newspaper and Marathi newspaper respectively in the format prescribed under the SEBI regulations. Hence the results are not sent to the members individually.

MEANS OF COMMUNICATION

- The Quarterly, half yearly and Annual results, published in the proforma prescribed under the SEBI Regulations, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within the prescribed time limit. The approved results are forthwith sent to the Bombay Stock Exchange Limited where the Company's shares are listed.
- Newspapers wherein quarterly results are published : Business Standard (English) & Sakal (Marathi)
- Any website, where displayed : Yes, BSE website (www.bseindia.com) and the Company's website (www.dil.net)
- Online filing with BSE Corporate Compliance & Listing Centre : All periodical compliances of the Company as per SEBI Regulations are also being filed online with the BSE Corporate Compliance & Listing Centre.
- SEBI Complaints Redress System (SCORES) : The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralised web based complaints redress system of SEBI (SCORES). The salient features of this system is centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status.
- Whether it also displays official news releases and presentations made to institutional investors or to analysts : 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

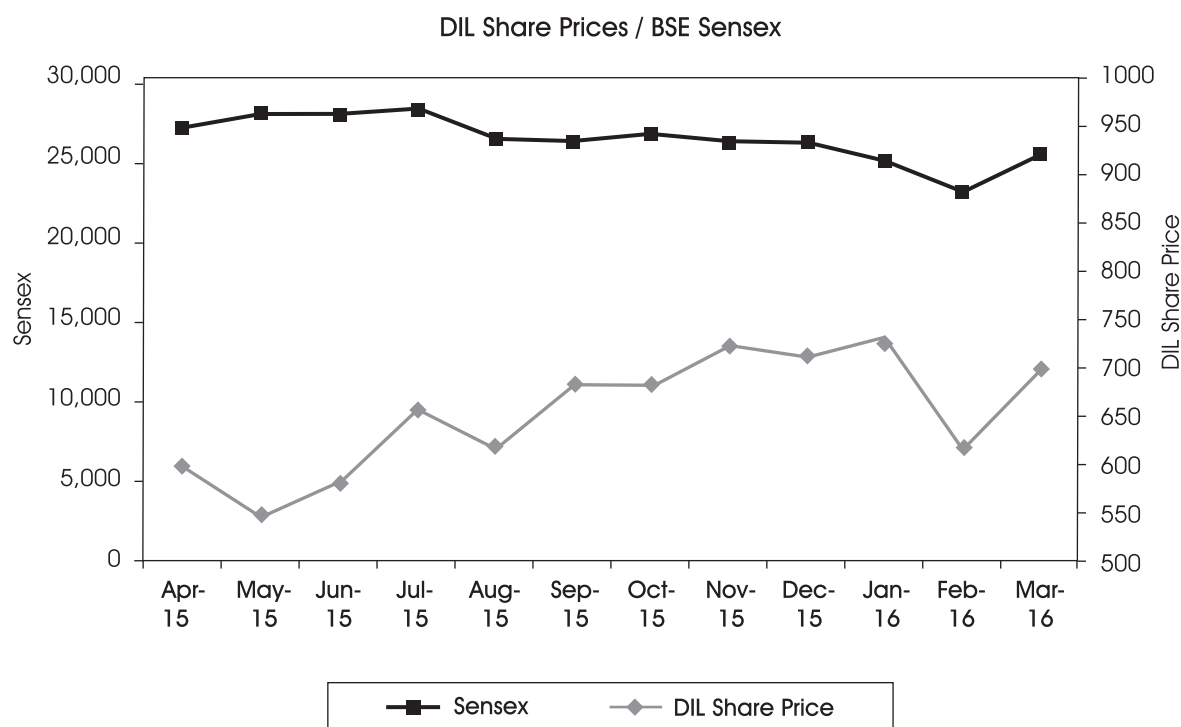
- Annual General Meeting : Tuesday, September 27, 2016 at 3.00 p.m. at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W), 400610.
- Financial Year : April 1 to March 31
 - Financial reporting for the quarter ending June 30, 2016 : By August 14, 2016
 - Financial reporting for the quarter ending September 30, 2016 : By November 14, 2016
 - Financial reporting for the quarter ending December 31, 2016 : By February 14, 2017
 - Financial reporting for the year ending March 31, 2017 : By May 30, 2017
- Date of Book closure : Wednesday, September 21, 2016 to Tuesday, September 27, 2016 (Both days inclusive)
- Dividend Payment Date : Final dividend (2015-2016) of ₹ 2.50 per equity share (25%) of ₹ 10 each, if declared at this AGM, shall be paid on or after October 3, 2016
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited
 - (i) Listing Fees for the year 2016-17 has been paid
 - (ii) SEBI introduced the new Listing Regulations w.e.f. December 01, 2015. The Company executed a new listing agreement with the Bombay Stock Exchange Limited on November 30, 2015, to comply with the requirements of the SEBI Regulations.
- 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, 2016.

Month	DIL Limited	
	High (₹)	Low (₹)
April 2015	691	575
May 2015	605.75	520.25
June 2015	628.75	542.5
July 2015	777	566.25
August 2015	768.75	585
September 2015	695	583
October 2015	747	629.25
November 2015	736	652
December 2015	750	673.25
January 2016	877	615
February 2016	735	612
March 2016	747	664

- 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 2015	599	27011.31	14911
May 2015	547.5	27828.44	6340
June 2015	580.25	27780.83	7586
July 2015	657	28114.56	13997
August 2015	621	26283.09	10592
September 2015	682.25	26154.83	6974
October 2015	683.25	26656.83	10751
November 2015	724.25	26145.67	11651
December 2015	713	26117.54	7613
January 2016	728	24870.69	19633
February 2016	618	23002	3491
March 2016	698	25341.86	8443

- 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, 2016

Sr. No.	Range in no. of shares	Holding (No. of shares)	Amount (₹)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	297011	29,70,110	12.95	4348	96
2	501 - 1000	64729	6,47,290	2.82	87	1.92
3	1001 - 2000	61111	6,11,110	2.67	42	0.93
4	2001 - 3000	34570	3,45,700	1.51	14	0.31
5	3001 - 4000	20121	2,01,210	0.88	6	0.13
6	4001 - 5000	41700	4,17,000	1.82	9	0.20
7	5001 - 10000	61755	6,17,550	2.69	9	0.20
8	10001 and above	1712201	1,71,22,010	74.66	14	0.31
	Total	2293198	2,29,31,980	100	4529	100

- Equity Shareholding Pattern as on March 31, 2016

	Shareholding (no. of Shares)	% of Holding
Promoters	1435320	62.59
Hindu Undivided Family	22832	0.99
Foreign Banks & NRIs	8774	0.39
Banks and Financial Institutions	17	0.00
Other Bodies Corporate	93657	4.08
General Public	719367	31.37
Clearing Members	13231	0.58
TOTAL	2293198	100

- **Dematerialisation of Shares:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with the National Securities Depository Limited and the Central Depository Services Limited, respectively. The shares of the Company are compulsorily traded in the dematerialised form on the Stock Exchanges. Presently 96.65% of the equity shares of the Company have been dematerialised.

- **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 : rnt.helpdesk@linkintime.co.in

DIL LIMITED

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

Tel No : +91 22 6798 0888

Fax No : +91 22 6798 0899

Email : srikant.sharma@dil.net

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

August 12, 2016.

For and on behalf of the Board of Directors

Sanjay Buch

Chairman
(DIN - 00391436)

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

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2016.

for DIL LIMITED

Thane
August 12, 2016.

KRISHNA DATLA
Managing Director

DIN: 00003247

**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON COMPLIANCE OF THE CONDITIONS
OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2016**

**To The members of
DIL Limited**

We have examined the compliance of regulations of Corporate Governance by DIL Limited ('the Company') for the year ended on March 31, 2016, as stipulated in Regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 the 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 regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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 12, 2016.

SECRETARIAL AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To

The Members

DIL LIMITED

'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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DIL Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines (as amended from time to time) 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; and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit period**);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India notified with effect from July 1, 2015.
- (ii) The Listing Agreement entered into by the Company with The Bombay Stock Exchange Limited 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 having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis and the information provided by the Company, its officers, agents and authorized representatives there are no laws applicable specifically to the Company.

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

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

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

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

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

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

Thane
12th August, 2016.

Independent Auditor's Report

To

The Members of DIL Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of DIL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

The Company has made investments in two associates to the tune of ₹1,009 lakhs, where the networth of these companies have substantially been eroded. However, Company has not made any detailed evaluation of diminution in the value of these investments in the standalone financial statements considering the view that these are long term investments and profitability will be achieved by these entities over a period of time and hence no permanent diminution is deemed necessary. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the impact, if any, of such diminution on the financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, of its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 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/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 27, 2016.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for the land held in trust by the directors of the Company.
- (ii) The nature of the business of the Company is such that it does not have inventory in tangible form. Accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, we are of the opinion that the terms and conditions of loans granted by the Company to a subsidiary covered in the register maintained under section 189 of the Companies Act, 2013, having maximum balance during the year and year-end balance of ₹157 lakhs, are prejudicial to the interest of the Company since the interest rate charged is significantly lower than interest rate at which the Company is borrowing.
- (b) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. 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.
- (c) There is no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, 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, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act	Sales Tax	–	1995-1996	High Court, Bombay
The Gujarat Sales Tax Act	Sales Tax and Penalty	4.34	1992-1994	Sales Tax Appellate Tribunal
Central Excise Act, 1944	Service tax and Penalty	18.75	2000-2001	High Court, Bombay

* Net of payments made under protest

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 27, 2016.

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

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

We have audited the internal financial controls over financial reporting of DIL Limited ("the Company") as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

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

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

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of DIL Limited, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of DIL Limited and this report affects our report dated May 27, 2016 which expressed a qualified opinion on those financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 27, 2016.

BALANCE SHEET AS AT MARCH 31, 2016

	Notes	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	229.32	229.32
Reserves and surplus	4	8,034.71	9,017.43
		8,264.03	9,246.75
Non-current liabilities			
Long-term borrowings	5	1,414.90	10.95
Deferred tax liability (net)	6	—	7.62
Other long-term liabilities	7	69.72	365.67
Long-term provisions	8	34.97	31.43
		1,519.59	415.67
Current liabilities			
Short-term borrowings	9	244.24	—
Trade payables	10	—	—
Total outstanding dues of micro and small enterprises		137.46	90.40
Total outstanding dues of creditors other than micro & small enterprises		—	—
Other current liabilities	10	4,698.83	4,413.29
Short-term provisions	8	85.09	154.19
		5,165.62	4,657.88
TOTAL		14,949.24	14,320.30
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	9,336.25	671.62
Intangible assets	12	3.78	4.28
Capital work-in-progress		57.86	6,298.35
Non-current investments	13	3,985.62	3,704.62
Long-term loans and advances	14	134.97	486.06
		13,518.48	11,164.93
Current assets			
Current investments	16	80.00	300.00
Inventories	17	—	45.06
Trade receivables	15.1	3.16	16.93
Cash and bank balances	18	299.69	1,615.14
Short-term loans and advances	14	806.69	1,013.80
Other current assets	15.2	241.22	164.44
		1,430.76	3,155.37
TOTAL		14,949.24	14,320.30
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 27, 2016.

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

SANJAY BUCH
Chairman

SATISH VARMA
Director

K. H. KASHID
Chief Financial Officer

Thane
Date: May 27, 2016.

KRISHNA DATLA
Managing Director

VINAYAK HAJARE
Director

SRIKANT N. SHARMA
Company Secretary

RAJESHWARI DATLA
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Notes	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
INCOME:			
Revenue from operations (Net)	19	728.05	1,351.53
Other operating income	20.1	0.09	0.86
Total revenue (I)		728.14	1,352.39
EXPENSES:			
Employee benefits expense	21	510.57	464.40
Other expenses	22	782.42	598.39
Total (II)		1,292.99	1,062.79
Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)		(564.85)	289.60
Depreciation and amortization expense	23	179.52	181.63
Finance costs	24	176.97	2.87
Profit/(Loss) before tax		(921.34)	105.10
Tax expense:			
Current tax		–	45.16
Deferred tax		(7.62)	(12.92)
Total tax expense		(7.62)	32.24
Profit/(Loss) for the year		(913.72)	72.86
Earnings per equity share			
[nominal value of share ₹10/-]	25		
Basic / Diluted (₹)		(39.85)	3.18
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 27, 2016.

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

SANJAY BUCH KRISHNA DATLA RAJESHWARI DATLA
Chairman Managing Director Director

SATISH VARMA VINAYAK HAJARE
Director Director

K. H. KASHID SRIKANT N. SHARMA
Chief Financial Officer Company Secretary

Thane
Date: May 27, 2016.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(921.34)	105.10
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and amortization expense	179.52	181.63
Loss/(Profit) on sale of fixed assets (net)	48.50	—
Loss on deletion of fixed assets	4.91	—
Bad debts/Advances Written Off	10.00	—
Interest expenses	176.97	2.87
Operating profit before working capital changes	(501.44)	289.60
Movements in working capital :		
Increase/(decrease) in trade payables	47.06	14.04
Increase/(decrease) in long-term provisions	3.54	2.01
Increase/(decrease) in short-term provisions	(0.10)	1.27
Increase/(decrease) in other current liabilities	(49.17)	609.09
Increase/(decrease) in other long-term liabilities	(295.95)	(421.25)
Decrease/(increase) in trade receivables	13.77	20.63
Decrease/(increase) in inventories	45.06	—
Decrease/(increase) in long-term loans and advances	(31.96)	(2.65)
Decrease/(increase) in short-term loans and advances	411.07	(219.78)
(Increase)/decrease in other current assets	(76.78)	(42.27)
(Increase)/decrease in other non-current assets	—	2.80
(Increase)/decrease in non-current investments	(281.00)	(136.75)
(Increase)/decrease in current investments	220.00	—
Cash generation from / (used in) operations	(495.90)	116.74
Direct taxes paid (net of refunds)	(80.76)	(155.33)
Net cash flow from / (used in) operating activities	(A) (576.66)	(38.59)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(2,223.45)	(2,805.54)
Proceeds from sale of fixed assets	101.19	—
Investments in bank deposits (having original maturity of more than three months)	—	(1,395.69)
Proceeds of bank deposits matured (having original maturity of more than three months)	1,395.69	3,089.94
Net cash flow from / (used in) investing activities	(B) (726.57)	(1,111.29)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	2,454.27	1,012.99
Repayment of long-term borrowings	(1,016.15)	(23.89)
Proceeds from short-term borrowings	244.24	—
Interest & finance cost paid	(158.32)	(2.87)
Dividend paid on equity shares	(117.23)	(56.06)
Tax on equity dividend paid	(23.34)	(9.74)
Net cash flow from/(used in) in financing activities	(C) 1,383.47	920.43
Net increase in cash and cash equivalents	(A+B+C) 80.24	(229.45)
Cash and cash equivalents at the beginning of the year	219.45	448.90
Cash and cash equivalents at the end of the year	299.69	219.45
Components of cash and cash equivalents		
Cash on hand	1.86	2.59
Cheque(s) on hand	—	20.47
With scheduled banks on:		
Current account	269.29	155.99
Unclaimed dividend account*	27.67	30.24
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s. Czech Republic	0.87	10.16
Total cash and cash equivalents (Refer Note 18)	299.69	219.45

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

Note

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

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date	For and on behalf of the Board of Directors of DIL Limited		
For S R B C & CO LLP	SANJAY BUCH	KRISHNA DATLA	RAJESHWARI DATLA
ICAI Firm Registration Number: 324982E/E300003	Chairman	Managing Director	Director
Chartered Accountants			
per Vikram Mehta	SATISH VARMA	VINAYAK HAJARE	
Partner	Director	Director	
Membership No : 105938	K. H. KASHID	SRIKANT N. SHARMA	
	Chief Financial Officer	Company Secretary	
Mumbai	Thane		
Date: May 27, 2016.	Date: May 27, 2016.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 ventures dealing in manufacturing of wheelchairs based on Levitation Movement Technology and Motion Films Production.

2. Basis of preparation

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

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

(c) Depreciation on tangible fixed assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

(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.

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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

(i) Revenue recognition

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

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

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

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

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

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

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

Company provides Infrastructure support services (Refer note 19) as per contractual obligation and the income from such services are recognized on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

(j) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange difference

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(k) Leases

As Lessee

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

As Lessor

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

(l) Income taxes

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(m) Provisions

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

(n) Contingent liabilities

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

(o) Earnings per share

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

(p) Cash and cash equivalents

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

(q) Segment Reporting

Identification of segments :

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

Allocation of common costs :

Common costs are treated as unallocable costs.

Unallocated items :

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

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(r) Measurement of EBITDA

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. 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, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
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NOTE 3 - SHARE CAPITAL:

Authorised Shares:

49,20,000 (March 31, 2015 - 49,20,000) Equity shares of ₹10/- each	492.00	492.00
80,000 (March 31, 2015 - 80,000) Unclassified shares of ₹10/- each	8.00	8.00
	500.00	500.00

Issued, Subscribed and fully paid up shares:

22,93,198 (March 31, 2015 - 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, 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹2.50/- (March 31, 2015: ₹5/-)

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

c) Shares held by holding company

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

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31, 2015 - 12,36,235) equity shares of ₹10/- each fully paid	123.62	123.62

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

Name of the shareholder	March 31, 2016		March 31, 2015	
Equity shares of ₹10/- each fully paid,	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91 %
Mr. Krishna Datla	1.99	8.68%	1.99	8.68 %

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 4 - RESERVES AND SURPLUS:		
Capital Reserve	1,140.00	1,140.00
General Reserve	4,171.15	4,171.15
Surplus in the statement of profit and loss		
Balance as per last financial statements	3,706.28	3,771.42
Profit/(Loss) for the year	(913.72)	72.86
Less: Appropriations		
Proposed final equity dividend [amount per share ₹2.50/- (March 31, 2015: ₹5)]	(57.33)	(114.66)
Tax on proposed equity dividend	(11.67)	(23.34)
Total appropriations	(69.00)	(138.00)
Net surplus in the statement of profit and loss	2,723.56	3,706.28
Total Reserves and surplus	8,034.71	9,017.43

	Non current		Current	
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 5 - LONG-TERM BORROWINGS:				
From Bank (Secured Term Loan) for Thane One (Refer note c below)	—	—	3,450.00	3,509.23
From Bank (Secured Lease Rental Discounting Loan) for Ceejay House Property (Refer note b below)	1,402.66	—	97.33	—
Vehicle loan from banks (secured) (Refer note a below)	12.24	10.95	11.16	15.09
Total	1,414.90	10.95	3,558.49	3,524.32
The above amount includes				
Secured borrowings	1,414.90	10.95	3,558.49	3,524.32
Unsecured borrowings	—	—	—	—
Amount disclosed under the head "other current liabilities" (Refer Note 10)	—	—	(3,558.49)	(3,524.32)
Net amount	1,414.90	10.95	—	—

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

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

c) Term loans for Thane One Building at Majiwade Thane is taken from Union Bank of India with interest rates (BR + 4.35%) 13.90% [March 31, 2015 (BR + 4.25%) 14.25%] repayable in 12 months starting March 31, 2016 in four quarterly instalments. 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, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
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NOTE 6 - DEFERRED TAX LIABILITY (NET):

Deferred tax liability

Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting

– 31.18

Gross deferred tax liability

– 31.18

Deferred tax asset

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

– 15.45

Provision for doubtful debts and advances

– 8.11

Gross deferred tax asset

– 23.56

Net deferred tax liability

– 7.62

	Non current		Current	
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 7 - OTHER LONG-TERM LIABILITIES:				
Liability for capital expenditure	–	112.95	503.53	106.11
Deposits from tenants	69.72	252.72	261.92	64.11
Amount disclosed under "other current liabilities" (Refer note 10)	–	–	(765.45)	(170.22)
	69.72	365.67	–	–

	Long Term		Short Term	
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 8 - PROVISIONS:				
Provision for employee benefits				
Long term compensated absences	34.97	31.43	16.09	16.19
	34.97	31.43	16.09	16.19
Other provisions				
Proposed dividend	–	–	57.33	114.66
Provision for tax on proposed equity dividend	–	–	11.67	23.34
	–	–	69.00	138.00
	34.97	31.43	85.09	154.19

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 9 - SHORT TERM BORROWINGS:		
Cash credit from banks from Union Bank of India (unsecured)	44.24	—
Inter corporate deposit (ICD) from Allegro Corporate Finance Advisors Pvt. Ltd. (unsecured)	200.00	—
	<u>244.24</u>	<u>—</u>
The above amount includes		
Unsecured borrowings	244.24	—
Cash credit are from Union Bank of India carrying an interest @16.75% (BR+6.85%) p.a. & ICD from Allegro Corporate Finance Advisors Pvt. Ltd carries interest at rate of 12% p.a.		
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 10 - CURRENT LIABILITIES:		
Trade payables*		
Total outstanding dues of micro and small enterprises	—	—
Total outstanding dues of creditors other than micro and small enterprises	137.46	90.40
	<u>137.46</u>	<u>90.40</u>
Other current liabilities:		
Payable to subsidiary company - Fermenta Biotech Ltd.	9.95	1.34
Current maturities of long-term borrowings (Refer Note 5)	3,558.49	3,524.32
Current maturities of deposits from tenants (Refer Note 7)	261.92	64.11
Interest accrued and due on borrowings	18.65	—
Unclaimed dividends	27.67	30.24
Others		
Statutory dues	40.02	21.53
Liability for capital expenditure (Refer Note 7)	503.53	106.11
Others	278.60	665.64
	<u>4,698.83</u>	<u>4,413.29</u>
	<u>4,836.29</u>	<u>4,503.69</u>

* includes ₹28.90 lakhs (March 31, 2015 - NIL) - Reimbursement of expenses to subsidiary company (Aegean Properties Limited)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 11 - TANGIBLE ASSETS:

₹ in Lakhs

	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
Cost							
At April 1, 2014	20.79	784.82	453.82	292.48	208.04	295.73	2,055.68
Additions	—	38.15	2.86	2.66	29.81	—	73.48
Disposal	—	—	—	—	—	—	—
At March 31, 2015	20.79	822.97	456.68	295.14	237.85	295.73	2,129.16
Additions	—	6,729.53	2,250.06	—	17.98	—	8,997.57
Disposal	—	(649.94)	(373.45)	(116.36)	(26.84)	—	(1,166.59)
At March 31, 2016	20.79	6,902.56	2,333.29	178.78	228.99	295.73	9,960.14
Depreciation							
At April 1, 2014	—	601.76	209.01	285.40	88.49	83.58	1,268.24
Charge for the year	—	97.56	43.63	3.04	25.41	9.69	179.33
Disposal	—	—	—	—	—	—	—
At March 31, 2015	—	699.32	252.64	288.44	113.90	93.27	1,447.57
Charge for the year	—	70.57	68.47	1.74	27.87	9.69	178.34
Disposal	—	(649.94)	(223.69)	(116.35)	(22.01)	—	(1,011.99)
At March 31, 2016	—	119.95	97.42	173.83	119.76	102.96	613.92
Impairment loss							
At April 1, 2014	—	—	9.97	—	—	—	9.97
Charge for the year	—	—	—	—	—	—	—
At March 31, 2015	—	—	9.97	—	—	—	9.97
Charge for the year	—	—	—	—	—	—	—
At March 31, 2016	—	—	9.97	—	—	—	9.97
Net Block							
At March 31, 2015	20.79	123.65	194.07	6.70	123.95	202.46	671.62
At March 31, 2016	20.79	6,782.61	2,225.90	4.95	109.23	192.77	9,336.25

Note:

- Land includes ₹8.06 Lakhs (March 31, 2015 ₹8.06 Lakhs) being cost of land held in trust by Directors of the Company
- Plant and equipment includes:
 - Assets held for disposal
 - Gross block ₹26.53 Lakhs (March 31, 2015 - ₹26.53 Lakhs)
 - Net block ₹Nil (March 31, 2015 - ₹Nil)
- Vehicles includes hypothecated to banks
 - Gross block ₹68.05 Lakhs (March 31, 2015 - ₹158.69 Lakhs)
 - Depreciation charge for the year ₹6.36 Lakhs (March 31, 2015: ₹17.34 Lakhs)
 - Accumulated depreciation ₹21.34 Lakhs (March 31, 2015: ₹76.38 Lakhs)
 - Net block ₹46.71 Lakhs (March 31, 2015 - ₹82.30 Lakhs)
- Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.
- Consequent upon receipt of Occupancy Certificate on 31.12.2015. The Company has capitalised ₹8,977.43 lakhs on 01.01.2016 for "Thane One Building" along with its infrastructure and utilities including capitalisation of interest (net) on borrowed funds ₹767.72 lakhs and soft cost of ₹1,039.05 lakhs. As a result, the incremental depreciation is ₹83.42 lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 12 - INTANGIBLE ASSETS:

	₹ in Lakhs	
	Computer software	Total
Gross Block		
At April 1, 2014	21.07	21.07
Purchase	4.16	4.16
At March 31, 2015	25.23	25.23
Purchase	0.68	0.68
Disposal	(16.76)	(16.76)
At March 31, 2016	9.15	9.15
Amortization		
At April 1, 2014	18.65	18.65
Charge for the year	2.30	2.30
At March 31, 2015	20.95	20.95
Charge for the year	1.18	1.18
Disposal	(16.76)	(16.76)
At March 31, 2016	5.37	5.37
Net Block		
At March 31, 2015	4.28	4.28
At March 31, 2016	3.78	3.78

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs

NOTE 13 - NON-CURRENT INVESTMENTS:

Trade investments (valued at cost unless stated otherwise)

Equity instruments:

Biodil Marsing Private Limited. (unquoted)*	5.90	5.90
59,000 (March 31, 2015 - 59,000) Equity shares of ₹10 each fully paid up		
Abbott India Limited (AIL) (quoted)	0.01	0.01
139 (March 31, 2015 - 139) Equity shares of ₹10 each fully paid-up		
Syngene International Limited (quoted) (March 31, 2015-unquoted)	366.50	366.50
6,87,224 (March 31, 2015 - 96,448) Equity shares of ₹10 each fully paid-up. Includes 5,90,776 (March 31,2015-Nil) Bonus Equity shares of ₹10 each received during the year		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 13 - NON-CURRENT INVESTMENTS: (contd.)		
Investment in equity instruments		
Investment in subsidiaries		
Aegean Properties Ltd.	30.00	30.00
30,000 (March 31, 2015 - 30,000)		
Equity shares of ₹100 each fully paid-up		
Fermenta Biotech Ltd.	1,709.25	1,709.25
1,27,62,464 (March 31, 2015 - 1,27,62,464)		
Equity shares of ₹10 each fully paid-up		
CC Square Films Limited	5.00	5.00
50,000 (March 31, 2015 - 50,000)		
Equity shares of ₹10 each fully paid-up		
Investment in associates		
Health and Wellness India Private Limited	475.00	475.00
30,12,504 (March 31, 2015 - 30,12,504)		
Equity shares of ₹10 each fully paid-up		
Zela Wellness Private Limited		
19,600 (March 31, 2015 - 19,600)		
Equity shares of ₹10 each fully paid-up	50.00	50.00
Investment in joint ventures (Refer Note 28 (a) (i))		
Vasko Glider s.r.o * (Refer Note 28 (a) (i))	188.51	188.51
Agastya Films LLP (Refer Note 28 (a) (ii))	268.00	—
Subscription application money		
Health & Wellness India Pvt Ltd (Refer Note 34)	309.86	309.86
Zela Wellness Private Limited (Refer Note 34)	175.00	175.00
Noble Explochem Ltd	597.00	584.00
	4,180.03	3,899.03
Less: Provision for diminution in value of investments (Refer Note 28(a)(i))*	194.41	194.41
	3,985.62	3,704.62
Aggregate amount of quoted investments (Market value: ₹2,647.22 Lakhs (March 31, 2015 - ₹5.49 Lakhs))	366.51	0.01
Aggregate amount of unquoted investments	3,619.11	3,704.61
* Aggregate provision for diminution in value of investments	194.41	194.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 14 - LOANS AND ADVANCES:				
Capital advances				
Unsecured, considered good	—	383.05	133.20	—
	—	383.05	133.20	—
Security deposits				
Unsecured, considered good	79.62	62.21	—	—
	79.62	62.21	—	—
Loans to related parties (Refer Note 30) *				
Unsecured, considered good	—	—	157.50	232.50
Advances recoverable in cash or kind				
Unsecured, considered good	29.99	12.19	188.44	216.17
Doubtful	19.01	19.01	—	—
	49.00	31.20	188.44	216.17
Less: Provision for doubtful advances	19.01	19.01	—	—
	29.99	12.19	188.44	216.17
Other loans and advances (unsecured)				
Inter corporate deposit (Refer Note 28(b))	—	—	—	325.00
Advance income-tax (net of provision for taxation)	—	—	305.28	224.52
Prepaid expenses	—	—	7.48	5.47
Loans to employees	25.36	28.61	14.79	10.14
	25.36	28.61	327.55	565.13
	134.97	486.06	806.69	1,013.80
* Loans and advances to related parties include				
Fermenta Biotech Ltd.	—	—	157.50	232.50
[Maximum amount outstanding during the year ₹232.50 Lakhs (March 31, 2015 - ₹232.50 Lakhs)]				
* Advances recoverable in cash or kind include				
CC Square Films Limited	—	—	0.89	0.59
[Maximum amount outstanding during the year ₹0.89 Lakhs (March 31, 2015 - ₹0.59 Lakhs)]				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs

NOTE 15 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS:

15.1. Trade receivables

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Considered good	-	-	2.48	-
Considered doubtful	-	-	5.97	5.97
	-	-	8.45	5.97
Less: Provision for doubtful debts	-	-	5.97	5.97
	-	-	2.48	-

Other receivables

Considered good	-	-	0.68	16.93
	-	-	3.16	16.93

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs

15.2. Other current assets

Unsecured, considered good unless stated otherwise

Non-current bank deposit balances (Refer note 18)	-	-	130.00	-
Interest accrued (Refer Note 28(b))	-	-	111.22	164.44
	-	-	241.22	164.44

March 31, 2016	March 31, 2015
₹ in Lakhs	₹ in Lakhs

NOTE 16 - CURRENT INVESTMENTS:

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

Unquoted

Union KBC Small & Midcap Fund - Growth NIL (March 31, 2015 -20,00,000) units of ₹10 each	-	200.00
Union KBC Dynamic Bond Fund - Growth 2,27,324.392 (March 31, 2015 - Nil) units of ₹10 each	30.00	-
Union KBC Capital Protection Oriented Fund - Series 5 - Regular Plan - Growth 5,00,000 (March 31, 2015 - 5,00,000) units of ₹10 each	50.00	50.00
Union KBC Equity Fund - Growth NIL (March 31, 2015 - 3,35,570.470) units of ₹10 each	-	50.00
	80.00	300.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs

NOTE 17 - INVENTORIES (valued at lower of cost and net realizable value):

Work-in-progress - Motion film production

—	45.06
—	45.06

Non current		Current	
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs

NOTE 18 - CASH AND BANK BALANCES:

Cash and cash equivalents

Balances with banks:

With scheduled banks on:

Current account	—	—	269.29	155.99
Unclaimed dividend account	—	—	27.67	30.24

With non-scheduled bank:

Ceskoslovenska obchodni banka, a.s.
Czech Republic- on Current account

—	—	0.87	10.16
---	---	------	-------

Cheque(s) on hand

—	—	—	20.47
---	---	---	-------

Cash on hand

—	—	1.86	2.59
---	---	------	------

—	—	299.69	219.45
---	---	--------	--------

Other bank balances

Deposits with original maturity for more than
3 months but less than 12 months*

—	—	130.00	1,395.69
---	---	--------	----------

Amount disclosed under non-current assets
(Refer note 15.2)

—	—	(130.00)	—
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—	—	299.69	1,615.14
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*Deposit in the form of Debt Security Reserve (DSR) with Axis Bank Limited is reclassified under other assets. (Refer note 15.2)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 19 - REVENUE FROM OPERATIONS:		
Rent Income	608.25	1,065.54
Service income (Infrastructure support service to tenant)	—	0.08
Profit on sale/redemption of current investments - other than trade	46.75	30.53
Less: Loss on sale/redemption of current investments - other than trade	(5.07)	—
Dividend Income from investments:		
Current - other than trade	6.92	0.03
Interest income on:		
Inter-corporate deposits	16.01	134.34
Bank deposits	33.13	91.63
Loans to subsidiary	16.90	22.72
Security deposits and others	5.16	4.66
Bonds	—	2.00
	<u>71.20</u>	<u>255.35</u>
	<u>728.05</u>	<u>1,351.53</u>

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 20.1 - OTHER OPERATING INCOME:		
Sale of Scrap	0.09	0.86
	<u>0.09</u>	<u>0.86</u>

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 21 - EMPLOYEE BENEFITS EXPENSE:		
Salaries, wages and bonus	457.96	423.36
Contribution to provident and other fund	33.54	26.44
Gratuity expense (Refer note 26)	3.51	(3.03)
Employee welfare expenses	15.56	17.63
	<u>510.57</u>	<u>464.40</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 22 - OTHER EXPENSES:		
Electricity charges/Fuel	76.08	45.11
Water Charges	3.80	3.72
Rates and taxes	68.85	40.89
Rent	60.56	46.11
Insurance	12.21	12.63
Repairs and maintenance:		
Plant and machinery	30.07	29.07
Buildings	2.63	0.36
Others	74.36	94.60
Advertising and sales promotion expenses	64.14	32.77
Travelling and conveyance	56.36	52.27
Legal and professional charges	148.28	106.38
Payment to auditors (Refer note below)	16.69	15.73
Exchange loss (net)	0.45	2.26
Communication costs	13.58	15.66
Donation	17.65	2.57
Bad debts/Advances written Off	10.00	—
Directors' sitting fees	6.35	7.10
Printing and stationery	6.79	5.28
Staff recruitment expenses	0.08	0.42
Loss on sale of fixed assets (net)	48.50	—
Loss on deletion of fixed assets (net)	4.91	—
Miscellaneous expenses	60.08	85.46
	** 782.42	** 598.39

** net of recovery of ₹45.57 Lakhs (March 31, 2015 - ₹45.54 Lakhs) from subsidiary companies.

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Payment to auditors'		
As auditor		
Audit fee	8.00	7.25
Tax audit fee	1.60 *	1.60 *
Limited review	6.00	6.00
In other capacity in respect of:		
Other services (certification fees)	0.25	0.25
Reimbursement of expenses	0.84 *	0.63 *
	16.69	15.73

* includes amount payable to another auditor

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 23 - DEPRECIATION AND AMORTIZATION EXPENSE:		
Depreciation of tangible assets	178.34	179.33
Amortization of intangible assets	1.18	2.30
	<u>179.52</u>	<u>181.63</u>

NOTE 24 - FINANCE COST:

Interest on term loans	155.84	2.87
Interest on intercorporate deposits	1.99	—
Interest on Cash credit	0.09	—
Loan Processing Fees	19.05	—
	<u>176.97</u>	<u>2.87</u>

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 25 - EARNINGS PER SHARE (EPS):		
Profit after tax	(913.72)	72.86
	No. in Lakhs	No. in Lakhs
Weighted average number of equity shares in calculating basic/diluted EPS	22.93	22.93
Earnings per share (₹ per share):	(39.85)	3.18

NOTE 26 - 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, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
a) Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefits expense, provident and other funds on note 21 for the year are as under:		
- Provident fund	33.54	26.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 26 - EMPLOYEE BENEFITS: (contd.)

b) Defined Benefit Plan

Gratuity - As per actuarial valuation

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
	Gratuity (Funded)	
i) Changes in the present value of the defined benefit obligation		
Opening	36.05	39.31
Interest cost	2.67	3.48
Current service cost	3.65	3.85
Benefits paid	(2.57)	(2.02)
Actuarial (gains) / losses on obligation	4.44	(8.57)
Closing	44.24	36.05
ii) Changes in fair value of plan assets		
Opening	51.16	47.49
Expected return on plan assets	4.15	3.80
Actuarial gains / (losses) on obligation:	1.24	0.42
Employer's contribution	1.73	1.47
Benefits paid	(2.57)	(2.02)
Closing	55.71	51.16
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	(44.24)	(36.05)
Fair value of plan assets	55.71	51.16
Amount not recognised as assets	(1.06)	(2.92)
Net Asset / (liability) recognised in balance sheet	10.41	12.19
iv) Amounts recognised in profit and loss		
Current service cost	3.65	3.85
Interest cost	2.67	3.48
Expected return on plan assets	(4.15)	(3.80)
Net actuarial (gain) / loss recognised	3.20	(8.99)
Amount not recognised as Assets	(1.86)	2.43
Total expense	3.51	(3.03)
v) Actual return on plan assets	5.39	4.22
vi) Principal assumptions used in actuarial valuation		
Discount rate	7.80%	7.90%
Expected return on plan assets	8.00%	9.15%
Salary escalation rate	5%	5%
Employee turnover	1% at all ages	1% at all ages

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 26 - EMPLOYEE BENEFITS: (contd.)

	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs
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, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
viii) Amounts for the current and previous four periods					
Defined benefit obligation	44.24	36.05	39.31	36.50	28.56
Plan assets	55.71	51.16	47.49	43.52	39.87
Surplus/(deficit)	11.47	15.11	8.18	7.02	11.31
Experience adjustments on plan liabilities	4.15	0.24	(0.66)	1.38	(12.55)
Experience adjustments on plan assets	1.25	0.42	(0.59)	0.35	(1.79)

- ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.
- b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- c) The estimates of rate escalation in salary considered in the actuarial valuation takes into account inflation, seniority promotion and other relevant factors including supply demand in the employment market.
- d) The Company is expected to contribute to the Gratuity fund during 2016-17 ₹Nil (March 31, 2016 ₹Nil)

March 31, 2016	March 31, 2015
₹ in Lakhs	₹ in Lakhs

NOTE 27 - LEASES:

Assets taken on operating lease

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

1. Lease payments recognised in the statement of profit and loss for the year.	60.56	45.02
2. Future minimum lease payment under non cancellable leases in the aggregate for each of the following periods:		
i) Not later than one year	23.91	23.11
ii) Later than one year and not later than five years.	14.23	4.09

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs

NOTE 27 - LEASES: (contd.)

Assets given on operating lease

The Company has entered into operating lease agreement for sublease property in Worli, Mumbai with original lease periods expiring on September 30, 2018. However the agreement got terminated w.e.f July 31, 2016, 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 2021. 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.	608.25	1,065.54
(includes rentals on sub-lease of ₹420.67 Lakhs (March 31, 2015 ₹420.67 Lakhs) which is terminated w.e.f. July 31, 2016)		
2 Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	394.46	219.77
ii) Later than one year and not later than five years	408.59	—
iii) More than five years	—	—

NOTE 28 (a) - INTEREST IN JOINT VENTURE: (Refer Note 13)

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

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

	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs
Percentage of holding	50%	50%
Current asset	20.11	17.89
Non-current assets	0.88	0.79
Current liabilities	0.90	0.80
Non-current liabilities	—	—
	21.89	19.48

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 28 (a) - INTEREST IN JOINT VENTURE: (contd.)		
Revenue	-	-
Cost of material consumed	-	-
Depreciation of plant and machinery	-	-
Employee benefit expenses	-	-
Other expenses	-	-
Profit before tax	-	-
Income tax expenses	-	-
Profit after tax	-	-
Commitments and contingent liabilities	-	-

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

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

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

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Percentage of holding	50%	50%
Current asset	333.21	-
Non-current assets	-	-
Current liabilities	45.29	-
Non-current liabilities	-	-
	378.50	-
Revenue	0.01	-
Cost of material consumed	-	-
Depreciation of plant and machinery	-	-
Employee benefit expenses	-	-
Other expenses	0.10	-
Profit before tax	(0.09)	-
Income tax expenses	-	-
Profit after tax	(0.09)	-
Commitments and contingent liabilities	-	-

Note 28 (b) - During the previous year ending March 31, 2015, 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. Accordingly, company has accrued interest of ₹ 16.01 lakhs (March 31, 2015 - ₹ 132.17 lakhs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 29 - 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

	2015-2016			
	2014-2015			
	Property	Treasury	Entertainment	Total
a. Revenue				
1. Segment revenue - External sales / income from operations	613.41 1,070.40	114.64 281.25	– –	728.05 1,351.65
Unallocated revenue				0.09 0.74
2. Total				728.14 1,352.39
b. Result				
1. Segment result / operating profit / (loss)	274.50 718.85	114.54 266.24	(91.98) (90.05)	297.06 895.04
2. Finance Cost				176.97 2.87
3. Unallocable income/(expenditure) (net)				(1,041.43) (787.07)
4. Profit before tax				(921.34) 105.10
5. Provision for tax				
- current tax				– 45.16
- deferred tax				(7.62) (12.92)
6. Profit after tax				(913.72) 72.86
c. Other information				
1. Segment assets	9,501.27 7,289.17	4,453.70 6,123.39	226.99 267.43	14,181.96 13,679.99
2. Unallocated corporate assets				767.28 640.31
3. Total assets				14,949.24 14,320.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 29 - SEGMENT INFORMATION (contd.):

	₹ in Lakhs			
	2015-2016			
	2014-2015			
	Property	Treasury	Entertainment	Total
4. Segment liabilities	965.91	–	227.00	1,192.91
	<i>648.71</i>	<i>366.50</i>	<i>227.17</i>	<i>1,242.38</i>
5. Unallocated corporate liabilities				5,492.30
				<i>3,831.17</i>
6. Total liabilities				6,685.21
				<i>5,073.55</i>
7. Cost incurred during the year to acquire				
-segment tangible assets	2,167.94	–	0.59	2,168.53
	<i>2,936.96</i>	–	<i>0.82</i>	<i>2,937.78</i>
-unallocated segment tangible assets				54.92
				<i>36.51</i>
8. Depreciation and amortization expense	141.69	–	4.00	145.69
	<i>136.08</i>	–	<i>4.64</i>	<i>140.72</i>
9. Unallocated depreciation				33.83
				<i>40.91</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 30 - 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, 2016

NOTE 30 - 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. (strike off w.e.f. 15.09.2015)

I) Key Management Personnel

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

II) Relative of Key Management Personnel

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

c. Joint Venture

VasKo Glider s.r.o.*

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

d. Associates

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

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

Magnolia FNB Private Limited

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

g. Transactions with related parties.

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

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associates
1 Loans and advances given						
- Fermenta Biotech Ltd.		-				
		(25.00)				
2 Loans recovered						
- Fermenta Biotech Ltd.		65.00				
		(25.00)				
3 Bad debts/Advances written Off						
- Fermenta Biotech Ltd.		10.00				
		-				

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

NOTE 30 - RELATED PARTY DISCLOSURES (contd.):

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associates
4 Interest Income on loan						
- Fermenta Biotech Ltd.		16.90 (22.72)				
5 Remuneration						
- Mr. Krishna Datla				70.29 (68.97)		
- Mr. Keshav H Kashid				52.58 (61.99)		
- Mr. Srikant N Sharma				25.55 (29.54)		
Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.						
6 Directors sitting fees						
- Ms. Rajeshwari Datla				1.45 (1.00)		
7 Rent income						
- Aegean Properties Ltd.		1.49 (1.42)				
- DVK Investments Private Ltd.	1.49 (1.42)					
- Fermenta Biotech Ltd.		82.13 (80.87)				
- CC Square Films Limited		1.20 (1.20)				
- Magnolia FNB Private Limited					1.20 (1.20)	
8 Rent paid						
- Aegean Properties Ltd.		18.00 (18.00)				
9 Other reimbursements paid						
- Fermenta Biotech Ltd.		11.66 (0.98)				
- Aegean Properties Ltd.		14.41 (15.46)				
- Agastya Films LLP			0.58 —			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 30 - RELATED PARTY DISCLOSURES (contd.):

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associates
10 Other reimbursements received						
- Fermenta Biotech Ltd.		45.27 (45.26)				
- CC Square Films Ltd		0.30 (0.28)				
11. Investment in equity share capital (Refer Note 13)						
- Zela Wellness Private Limited						- (100.00)
- Agastya Films LLP			268.00 -			
12 Balance outstanding as at the year end						
i. Rent and reimbursement Payable						
- Aegean Properties Ltd.		28.90 -				
- Fermenta Biotech Ltd.		9.94 (1.34)				
ii. Rent and reimbursement receivables						
- Fermenta Biotech Ltd.		3.24 (29.18)				
- G.I.Biotech Private Ltd.		1.25 (1.25)				
- CC Square Films Ltd		4.05 (2.39)				
- Agastya Films LLP		0.58 -				
iii. Provision for doubtful debts						
- G.I.Biotech Private Ltd.		1.25 (1.25)				
iv. Provision for diminution in value of investments*				188.51 * (188.51) *		
v. Loans						
- Fermenta Biotech Ltd.		157.50 (232.50)				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 30 - RELATED PARTY DISCLOSURES (contd.):

(₹ in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associates
vi. Interest accrued						
- Fermenta Biotech Ltd.		2.83 (4.27)				
vii. Remuneration Payable						
- Mr. Keshav H Kashid				- (9.22)		
- Mr. Srikant N Sharma				- (4.38)		

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

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, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
1. Loans to subsidiaries / associate				
- Fermenta Biotech Ltd.	157.50	232.50	232.50	232.50
2. Loans where there is no repayment schedule and is interest-free (included above)	-	-	-	-
3. Loans to firms/companies in which directors are interested				
Loans given during the year				
- Fermenta Biotech Ltd.	-	-	25.00	25.00
Loans outstanding at the year end				
- Fermenta Biotech Ltd.	157.50	232.50	232.50	232.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 31 - DETAILS OF LOANS & INVESTMENT AS REQUIRED U/S 186 OF COMPANIES ACT, 2013

Particulars	March 31, 2016		March 31, 2015	
	Loan Given ₹ in Lakhs	Outstanding ₹ in Lakhs	Loan Given ₹ in Lakhs	Outstanding ₹ in Lakhs
Loan given to subsidiary for working capital/business operations - Fermenta Biotech Ltd.	–	157.50	25.00	232.50

Note: Rate of interest charged on loan given is 8% to 13% p.a

NOTE 32 - CAPITALIZATION OF EXPENDITURE

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

Particulars	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Finance costs	412.76	401.53
Total	412.76	401.53

Note 33 - During the current year, Company has received a notice from the private equity investor/shareholder in Company's subsidiary, Fermenta Biotech Limited ("Fermenta"). In this notice, investor has notified the Company that it proposes to exercise its "Drag Along Right" with respect to the shares of Fermenta asking DIL either to acquire shares of Fermenta from the investor or drag along DIL to sell the shares of Fermenta held by investor and DIL to a third party, pursuant to the Shareholders' Agreement dated December 10, 2010 entered into by the Company, Fermenta and investor. The Company has been advised that such claim is not legally tenable and the management has concluded that there is no obligation on the Company with reference to the aforesaid alleged notice from the investor. Accordingly, no impact has been considered in the financial statement.

Note 34 - During the previous year, Company has entered into an agreement with other investors to invest additional amount in the operations of Health & Wellness India Private Limited (H&W) & Zela Wellness Private Limited (Zela) (associate companies) and also agreed to merge the operations of these two associates into one single entity. Pursuant to this agreement the outstanding Loans and advances, of ₹309.86 Lakhs with H&W & ₹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 previous year the Company has invested ₹100 Lakhs towards additional share subscription money.

During the current year, Company has entered into supplementary agreement with other investors in Zela Wellness Private Limited (Zela) to convert the said additional share subscription money of ₹150 Lakhs invested in Zela Wellness Private Limited (Zela) into 0.001% Non Cumulative Compulsory Convertible Preference shares. On consolidation/merging of operations of Health & Wellness India Private Limited (H&W) & Zela Wellness Private Limited (Zela) into resultant unified entity, the said preference shares of Zela Wellness Private Limited (Zela) to be converted in to equity shares of resultant unified Company. Post completion of unification of operations and conversion of preference shares into equity shares of the unified entity and on shareholding alignment, the Company will own 53.67% stake in the combined entity.

NOTE 35 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Estimated amount of contracts remaining to be executed on capital account.	640.71	1,611.28

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 36 - 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 and CESTAT has upheld the order of Joint Commissioner of Service Tax. Company has preferred an appeal to Bombay High Court.

March 31, 2016	March 31, 2015
₹ in Lakhs	₹ in Lakhs
22.50	22.50

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

4.63	4.63
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27.13	27.13
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NOTE 37 - UN-HEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	March 31, 2016		March 31, 2015	
	Foreign Currency in Lakhs	₹ in Lakhs	Foreign Currency in Lakhs	₹ in Lakhs
Cash and bank balance	Kc 0.31	0.87	Kc 4.12	10.16

NOTE 38 - EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS):

	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs
Legal fees	1.90	—
Remittances to branch office	43.90	52.96
	45.80	52.96

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

As per our report of even date

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

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

SANJAY BUCH
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

per Vikram Mehta
Partner

SATISH VARMA
Director

VINAYAK HAJARE
Director

Membership No: 105938

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Mumbai
Date: May 27, 2016

Thane
Date: May 27, 2016

Independent Auditor's Report

To
The Members of DIL Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DIL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

The accompanying consolidated financial statements include total assets of ₹65.61 lakhs as at March 31,

2016, total revenues of ₹0.01 lakhs and net loss of ₹0.08 lakhs for the year ended on that date, in respect of two jointly controlled entities, 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 ₹54.87 lakhs for the year ended March 31, 2016, in respect of two associates, which have not been audited and have been consolidated in the consolidated financial statements based solely on the unaudited separate financial statement certified by the management. Accordingly we are unable to comment on the impact of the same on the consolidated financial statements if the same had been audited and corresponding impact on paragraph 1 under the report on other legal and regulatory requirements below.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, of their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, to the extent applicable, we report that:
 - (a) Except for the matter described in Basis for Qualified Opinion paragraph and the other auditors whose reports we have relied upon, 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 Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
 - (c) Except for the matter described in Basis for Qualified Opinion paragraph above, the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 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, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act except in relation to two jointly controlled entities and two associates where the auditors' report is not available as noted in our paragraph of qualified opinion above.
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly

controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

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

Other Matter

- (a) The accompanying consolidated financial statements include total assets of ₹213.98 lakhs as at March 31, 2016, total revenues of ₹3.54 lakhs and net loss of ₹27.10 lakhs for the year ended on that date, in respect of certain subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and 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, 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/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 27, 2016.

Annexure 1 – To the independent auditor's report of even date on the consolidated financial statements of DIL Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of DIL Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of DIL Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of its subsidiary companies and its associate companies, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2016:

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

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

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

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

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 27, 2016 expressed a qualified opinion thereon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta

Partner

Membership Number : 105938

Place of Signature : Mumbai

Date : May 27, 2016.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Notes	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	229.32	229.32
Reserves and surplus	4	12,752.69	12,932.88
		<u>12,982.01</u>	<u>13,162.20</u>
Minority interest		2,566.91	2,237.10
Non-current liabilities			
Long-term borrowings	5	1,778.25	535.41
Deferred tax liability (net)	6	400.25	324.53
Other long-term liabilities	7	69.71	365.67
Long-term provisions	8	178.73	166.16
		<u>2,426.94</u>	<u>1,391.77</u>
Current liabilities			
Short-term borrowings	9	2,933.95	2,488.52
Trade payables			
Total outstanding dues of micro and small enterprises	10	5.14	19.42
Total outstanding dues of creditors other than micro and small enterprises		1,972.19	1,621.49
Other current liabilities	10	5,662.01	5,108.39
Short-term provisions	8	275.07	185.38
		<u>10,848.36</u>	<u>9,423.20</u>
TOTAL		<u>28,824.22</u>	<u>26,214.27</u>
ASSETS			
Non-current assets			
Goodwill		534.33	534.33
Less: Impairment		(121.00)	(121.00)
Goodwill (net of impairment)		<u>413.33</u>	<u>413.33</u>
Fixed assets			
Tangible assets	11	16,211.12	7,958.88
Intangible assets	12	185.31	98.97
Capital work-in-progress		591.24	6,346.21
Intangible assets under development		3.00	159.14
Non-current investments	13	1,459.79	1,501.66
Long term loans and advances	14	486.61	635.15
Other non-current assets	15.2	15.04	1.68
		<u>18,952.11</u>	<u>16,701.69</u>
Current assets			
Current investments	16	80.00	300.00
Inventories	17	2,796.74	2,163.45
Trade receivables	15.1	4,300.56	3,553.21
Cash and bank balances	18	478.76	1,726.07
Short-term loans and advances	14	1,213.97	1,182.79
Other current assets	15.2	588.75	173.73
		<u>9,458.78</u>	<u>9,099.25</u>
TOTAL		<u>28,824.22</u>	<u>26,214.27</u>
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Vikram Mehta

Partner

Membership No : 105938

Mumbai

Date: May 27, 2016.

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

SANJAY BUCH
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane

Date: May 27, 2016.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Notes	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
INCOME			
Revenue from operations (net)	19.1	14,637.60	13,278.60
Less: Excise duty		294.77	370.70
		14,342.83	12,907.90
Other operating income	19.2	998.76	1,267.27
Other income	20	264.63	6.63
Total revenue (I)		15,606.22	14,181.80
EXPENSES			
Cost of raw material and components consumed	21	6,284.83	6,056.26
Purchase of traded goods		160.11	82.00
(Increase)/decrease in Inventories	22	(53.06)	158.87
Employee benefits expense	23	2,796.74	2,420.58
Other expenses	24	4,271.83	3,867.77
Total (II)		13,460.45	12,585.48
Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)		2,145.77	1,596.32
Depreciation and amortization expense	25	835.00	857.85
Finance costs	26	614.69	450.16
Profit before tax		696.08	288.31
Tax expense:			
Current tax		349.10	86.98
Deferred tax (credit)/charge		75.72	105.95
Total tax expense		424.82	192.93
Profit after tax		271.26	95.38
Share of minority interest in (profit)/loss		(329.81)	(7.29)
Share of interest in profit/(loss) of associates		(54.87)	(41.71)
Profit for the year		(113.42)	46.38
Earnings per equity share [nominal value of share ₹10/-]	27		
Basic / Diluted (₹ in Lakhs)		(4.95)	2.02
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per Vikram Mehta
Partner

Membership No : 105938

Mumbai

Date: May 27, 2016.

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

SANJAY BUCH
Chairman

SATISH VARMA
Director

K. H. KASHID
Chief Financial Officer

Thane

Date: May 27, 2016.

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, 2016

PARTICULARS	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	696.08	288.31
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation	835.00	857.85
Loss on sale of fixed assets	48.50	5.37
Loss on deletion of assets	4.91	—
Profit on sale of fixed asset	(0.70)	—
Unrealised foreign exchange (gain)/loss (net)	(50.55)	(4.44)
Provision for doubtful debts and advances	19.63	—
Interest expenses	614.69	450.16
Operating profit before working capital changes	2,167.55	1,597.25
Movements in working capital :		
Increase/(decrease) in trade payables	343.44	(243.57)
Increase/(decrease) in long-term provisions	12.57	(20.06)
Increase/(decrease) in short-term provisions	4.16	5.52
Increase/(decrease) in other current liabilities	(17.27)	641.81
Increase/(decrease) in other long-term liabilities	(183.01)	(375.02)
Decrease/(increase) in trade receivables	(690.74)	500.60
Decrease/(increase) in inventories	(633.29)	181.79
Decrease/(increase) in long-term loans and advances	109.16	(247.10)
Decrease/(increase) in short-term loans and advances	36.69	(212.14)
(Increase)/decrease in other current assets	(415.02)	(32.45)
(Increase)/decrease in other non-current assets	(13.36)	(14.83)
(Increase)/decrease in current investments	220.00	—
(Increase)/decrease in non-current investments	(13.00)	113.11
Cash generation from operations	927.89	1,894.91
Direct taxes paid (net of refunds)	(276.68)	(387.98)
Net cash flow from / (used in) operating activities	(A) 651.21	1,506.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(3,042.61)	(3,515.10)
Proceeds from sale of fixed assets	102.13	14.58
Investments in bank deposits (having original maturity of more than three months)	—	(1,395.68)
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,395.68	3,089.94
Net cash flow from / (used in) investing activities	(B) (1,544.80)	(1,806.26)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	2,928.14	1,121.37
Repayment of long-term borrowings	(1,577.72)	(578.47)
Proceeds from short-term borrowings	429.19	29.73
Interest paid	(597.08)	(450.16)
Dividend paid on equity shares	(117.23)	(56.06)
Tax on equity dividend paid	(23.34)	(9.74)
Net cash flow from/ (used in) in financing activities	(C) 1,041.96	56.67
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 148.37	(242.66)
Add: Effect of exchange difference on Cash and Equivalents held in foreign currency	–	0.55
Cash and cash equivalents at the beginning of the year	330.39	572.50
Cash and cash equivalents at the end of the year	478.76	330.39
Components of cash and cash equivalents		
Cash on hand	5.56	6.45
Cheque on hand	–	20.47
With scheduled banks on:		
Current account	400.64	220.14
Deposits with original maturity of less than three months	0.03	0.03
Unclaimed dividend account*	27.67	30.24
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s.		
Czech Republic- on Current account	44.86	53.06
Total cash and cash equivalents (note 18)	478.76	330.39

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

Note

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

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

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date	For and on behalf of the Board of Directors of DIL Limited		
For S R B C & CO LLP ICAI Firm Registration Number: 324982E/E300003 Chartered Accountants	SANJAY BUCH Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
per Vikram Mehta Partner Membership No : 105938	SATISH VARMA Director	VINAYAK HAJARE Director	
Mumbai Date: May 27, 2016.	K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary	
	Thane Date: May 27, 2016.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 BLO'), 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 utilization of surplus funds for its treasury operations. The Company's Joint Ventures, Vasko Glider s.r.o. Czechoslovakia is in the business of development and manufacture of wheelchairs and Agastya Films LLP. is in the business of film production.

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

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

	Vasko Glider s.r.o.		Agastya Films LLP.	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
i) Percentage of holding	50%	50%	50%	—
ii) Assets	20.99	18.68	333.21	—
iii) Liabilities	0.90	0.80	45.29	—
iv) Income	—	—	0.02	—
v) Expenditure	—	—	0.10	—
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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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, 2016.

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

Name of the subsidiaries	Country of Incorporation	2015-16 % shareholding	2014-15 % shareholding
Fermenta Biotech Limited *	India	72.09%	72.09%
Fermenta Biotech (UK) Limited (100% subsidiary of FBL)	United Kingdom	72.09%	72.09%
G.I. Biotech Private Limited (62.50% Subsidiary of FBL)	India	45.06%	45.06%
Aegean Properties Limited	India	100.00%	100.00%
CC Square Films Limited	India	100.00%	100.00%
Name of the associates			
Health and Wellness India Private Ltd	India	47.15%	47.15%
Zela Wellness Private Limited	India	49.00%	49.00%
Name of the joint venture			
VasKo Glider s.r.o.	Czech Republic	50.00%	50.00%
Agastya Films LLP.	India	50.00%	—

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

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard - 21 'Consolidated Financial Statements' ('AS - 21'), Accounting Standard - 23 'Accounting for investment in Associates in 'Consolidated Financial Statements' ('AS - 23') and Accounting Standard - 27 'Financial Reporting of Interest in Joint Ventures' ('AS- 27') as per Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 for the purpose of preparation and presentation of financial statements.

The financial statements of the Group have been combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full for subsidiaries. The 50% share in assets, liabilities, income and expenses as appearing in the financial statements of joint venture have been combined on line-by-line basis after eliminating intra-group balances/transactions and resulting unrealized profits on proportionate basis. The amounts shown in respect of accumulated reserves 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 recognized in the financial statements as goodwill or capital reserve, as the case may be. Goodwill is tested for impairment annually. The carrying amount of investment is adjusted thereafter in the post acquisition change in the group's share of net assets of the associates. The consolidated statement of profit and loss includes the group's share of results of the operations of the associates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

2.1 Summary of significant accounting policies

a) 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.

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

(c) Depreciation on tangible fixed assets

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(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 amortized over their estimated useful lives of three to five years on a straight line basis.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(f) Investments

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

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

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

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

(g) Inventories

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

Cost is determined as follows:

- a) Stores and spare parts: - First-in-first-out method.
- b) Raw materials and packing materials: - Cost is determined on a weighted average basis.
- c) Intermediate raw materials, work-in-process and finished goods:- Cost includes direct materials determined on the basis of weighted average method and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
- d) Inventory of under production film is valued at actual cost incurred. The cost of production is charged to revenue at the time of first release of film.

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

(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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

projected unit credit method after considering discount rates, expected long term return on plan assets and increase in compensation levels. All actuarial gains/losses are immediately recorded to the statement of profit and loss and are not deferred. The Company makes contributions to a fund administered and managed by Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC administers the scheme.

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

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

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

(i) Revenue recognition

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

Interest income

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

Rental income

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Export Incentive

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

Dividend income

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Other Operating Income

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

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

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

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

(j) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange difference

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

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

(k) Leases

As Lessee

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

As Lessor

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**(I) 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 deduction, no asset has been recognized in respect of the Minimum Alternate Tax (MAT) credit available. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal tax under specified period.

(m) Provisions

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

(n) Contingent liabilities

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

(o) Earnings per share

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

(p) Cash and cash equivalents

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

(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.

Segment Policies :

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

(r) Excise Duty

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**(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 EBITDA

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. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 3 - SHARE CAPITAL:		
Authorised Shares:		
49,20,000 (March 31, 2015 - 49,20,000) Equity shares of ₹10/- each	492.00	492.00
80,000 (March 31, 2015 - 80,000) Unclassified shares of ₹10/- each	8.00	8.00
	500.00	500.00
Issued, subscribed and fully paid up shares:		
22,93,198 (March 31, 2015 - 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, 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹2.50/- (March 31, 2015: ₹5/-)

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

c) Shares held by holding company

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

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31, 2015 - 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, 2016		March 31, 2015	
	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91%
Mr. Krishna Datla	1.99	8.68%	1.99	8.68%

As per records of the Company, including its register of shareholders / 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 YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 4 - RESERVES AND SURPLUS:		
Capital Reserve:		
Balance as per the last financial statements	1,140.00	1,140.00
Capital redemption reserve:		
Balance as per the last financial statements	70.00	70.00
Unrealised gain on dilution:		
Balance as per the last financial statements	950.41	950.41
General Reserve:		
Balance as per the last financial statements	4,736.70	4,736.70
Foreign Currency Translation Reserve:		
Balance as per the last financial statements	46.99	50.88
Add: Change during the year	2.23	(3.89)
	<u>49.22</u>	<u>46.99</u>
Surplus in the statement of profit and loss:		
Balance as per last financial statements	5,988.78	6,092.17
Profit for the year	(113.42)	46.38
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		
Proposed final equity dividend (amount per share ₹2.50/- (March 31, 2015: ₹5/-))	(57.33)	(114.66)
Tax on proposed equity dividend	(11.67)	(23.34)
Total appropriations	<u>(69.00)</u>	<u>(138.00)</u>
Net surplus in the statement of profit and loss	5,806.36	5,988.78
Total Reserves and surplus	<u>12,752.69</u>	<u>12,932.88</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 5 - LONG-TERM BORROWINGS:				
From Bank (secured) for R & D Thane	30.37	–	75.00	–
From financial institutions (secured) for R & D Thane	30.11	52.85	22.75	19.84
From Bank (secured) for Dahej facility	295.57	431.35	466.67	400.00
Vehicle loan from Bank (secured) (secured against hypothecation of vehicles)	19.29	20.57	19.84	25.24
From Bank (Secured LRD Loan) for Ceejay House Property	1,402.67	–	97.33	–
Vehicle loan financial institutions (secured) (secured against hypothecation of vehicles)	0.24	2.65	2.38	2.60
From financial institutions (secured) for Dahej facility	–	27.99	33.49	102.97
From Bank (secured) for Thane One	–	–	3,450.00	3,509.23
	1,778.25	535.41	4,167.46	4,059.88
The above amount includes				
Secured borrowings	1,778.25	535.41	4,167.46	4,059.88
Unsecured borrowings	–	–	–	–
Amount disclosed under the head "other current liabilities" (Refer Note 10)	–	–	(4,167.46)	(4,059.88)
Net amount	1,778.25	535.41	–	–

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

Term loans for Thane One Building at Majiwade Thane is taken from Union Bank of India with interest rates (BR + 4.25%) 13.90% [March 31, 2015 (BR + 4.25%) 14.25%] repayable in 12 months starting March 31, 2016 in four quarterly instalments. 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.

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

Term loans for setting up a new facility at Dahej SEZ is taken from Union Bank of India with interest rates (BR + 4%) 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 Loan for expansion of Dahej facility is taken from Union Bank of India with interest rate (BR+3.75%) i.e.@13.40% repayable in 48 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with the financial assistance of the term loan and by equitable mortgage of factory land and building of Dahej.

Term Loan for relocation of R & D units / Thane Head office is taken from Union Bank of India with interest rate (BR+3.75%) i.e.@13.40% repayable in 48 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with the financial assistance of the term loan and by equitable mortgage of factory land and building of Dahej and Kullu.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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%.

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs

NOTE 6 - DEFERRED TAX LIABILITY (NET):

Deferred tax liability

Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting* (Refer Note 11(7))	–	538.13
Items allowed under Income tax computed on payment/realisation basis	<u>600.99</u>	–
Gross deferred tax liability	<u>600.99</u>	<u>538.13</u>

Deferred tax asset

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	150.11	61.57
Provision for gratuity and long term compensated absences	50.63	–
Provision for doubtful debts and advances	–	152.03
Gross deferred tax asset	<u>200.74</u>	<u>213.60</u>
Net deferred tax liability	<u>400.25</u>	<u>324.53</u>

* includes impact of deferred tax of ₹5.65 lakhs on depreciation for earlier years against the retain earning (Refer Note 2)

Non current		Current	
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs

NOTE 7 - OTHER LONG-TERM LIABILITIES:

Liability for capital expenditure	–	112.95	602.13	153.87
Deposits from tenants	69.71	252.72	261.92	64.11
Amount disclosed under "other current liabilities" (Refer Note 10)	–	–	(864.05)	(217.98)
	<u>69.71</u>	<u>365.67</u>	<u>–</u>	<u>–</u>

Long Term		Short Term	
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs

NOTE 8 - PROVISIONS:

Provision for employee benefits

Long term compensated absences	178.73	166.16	51.27	47.11
	<u>178.73</u>	<u>166.16</u>	<u>51.27</u>	<u>47.11</u>

Other provisions

Proposed dividend	–	–	57.33	114.66
Provision for tax on proposed equity dividend	–	–	11.67	23.34
Taxation, net of advance taxes (other than deferred tax)	–	–	154.80	0.27
	<u>–</u>	<u>–</u>	<u>223.80</u>	<u>138.27</u>
	<u>178.73</u>	<u>166.16</u>	<u>275.07</u>	<u>185.38</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 9 - SHORT TERM BORROWINGS:		
Cash credit from banks (secured/unsecured) from Union Bank of India	1,533.33	1,293.52
Packing Credit (Secured) from Union Bank of India	1,200.62	1,195.00
Inter corporate deposit (ICD) from Allegro Corporate Finance Advisors Pvt. Ltd. (unsecured)	200.00	—
	2,933.95	2,488.52
The above amount includes		
Secured borrowings	2,689.71	2,488.52
Unsecured borrowings	244.24	—
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.		
Cash credit are from Union Bank of India (unsecured) carrying an interest @16.75% (BR+6.85%) p.a. & ICD from Allegro Corporate Finance Advisors Pvt. Ltd carries interest at rate of 12% p.a.		

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 10 - CURRENT LIABILITIES:		
Trade payables		
Total outstanding dues of micro and small enterprises	5.14	19.42
Total outstanding dues of creditors other than micro and small enterprises	1,972.19	1,621.49
	1,977.33	1,640.91
Other current liabilities:		
Current maturities of long-term borrowings (Refer Note 5)	4,167.46	4,059.88
Current maturities of deposits from tenants (Refer Note 7)	261.92	64.11
Advance from customers	29.27	32.77
Interest accrued and due on borrowings	21.96	4.35
Unclaimed dividends	27.67	30.24
Others		
Statutory dues	124.60	79.36
Liability for capital expenditure	602.13	153.87
Others	427.00	683.81
	5,662.01	5,108.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 11 - TANGIBLE ASSETS:

(₹ in Lakhs)

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
At April 1, 2014	56.83	308.93	3,681.86	7,232.57	484.97	439.67	295.73	12,500.56
Additions	–	–	86.54	461.33	9.47	61.42	–	618.76
Disposal	–	–	–	(5.22)	–	(44.57)	–	(49.79)
At March 31, 2015	56.83	308.93	3,768.40	7,688.68	494.44	456.52	295.73	13,069.53
Additions	–	–	6,744.71	2,383.29	0.72	27.46	–	9,156.18
Disposal	–	–	(649.94)	(391.47)	(116.36)	(26.84)	–	(1,184.61)
At March 31, 2016	56.83	308.93	9,863.17	9,680.50	378.80	457.14	295.73	21,041.10
Depreciation								
At April 1, 2014	–	41.76	1,029.56	2,628.68	389.83	183.40	83.58	4,356.81
Adjustment refer note (7)	–	–	–	16.02	–	1.39	–	17.41
Charge for the year	–	10.82	198.38	464.80	15.21	57.40	9.69	756.30
Disposal	–	–	–	(1.47)	–	(28.37)	–	(29.84)
At March 31, 2015	–	52.58	1,227.94	3,108.03	405.04	213.82	93.27	5,100.68
Adjustment refer Note (7)	–	–	–	–	–	–	–	–
Charge for the year	–	10.83	173.01	483.88	14.09	57.60	9.69	749.10
Disposal	–	–	(649.93)	(241.48)	(116.35)	(22.01)	–	(1,029.77)
At March 31, 2016	–	10.83	(476.92)	242.40	(102.26)	35.59	9.69	(280.67)
Impairment loss								
At April 1, 2014	–	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–	–
At March 31, 2015	–	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–	–
At March 31, 2016	–	–	–	9.97	–	–	–	9.97
Net Block								
At March 31, 2015	56.83	256.35	2,540.46	4,570.68	89.40	242.70	202.46	7,958.88
At March 31, 2016	56.83	245.52	9,112.15	6,320.10	76.02	207.73	192.77	16,211.12

Note:

- Land includes ₹8.06 Lakhs being cost of land held in trust by Directors of the Company
- Consequent upon receipt of Occupancy Certificate on 31.12.2015. The Company has capitalised ₹8,977.43 lakhs on 01.01.2016 for "Thane One Building" along with its infrastructure and utilities including capitalisation of interest (net) on borrowed funds ₹767.72 lakhs and soft cost of ₹1,039.05 lakhs. As a result the incremental depreciation is ₹83.42 lakhs.
- Plant and equipment includes:
 - Assets held for disposal:
 - Gross block ₹26.53 Lakhs (March 31, 2015 - ₹26.53 Lakhs)
 - Net block ₹Nil (March 31, 2015 - ₹Nil)
- Share in joint venture assets
 - Gross Value ₹4.21 Lakhs (March 31, 2015 - ₹4.21 Lakhs)
 - Accumulated depreciation ₹4.21 Lakhs (March 31, 2015: ₹4.21 Lakhs)
 - Net block ₹Nil (March 31, 2015 - ₹Nil)
 - Depreciation ₹Nil (March 31, 2015) - ₹Nil)
- Vehicles includes hypothecated to banks:
 - Gross block ₹108.25 Lakhs (March 31, 2015 - ₹255.36 Lakhs)
 - Depreciation charge for the year ₹8.24 Lakhs (March 31, 2015: ₹36.10 Lakhs)
 - Accumulated depreciation ₹25.79 Lakhs (March 31, 2013: ₹86.96 Lakhs)
 - Net block ₹80.59 Lakhs (March 31, 2015 - ₹149.65 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

- 6 Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.
- 7 In the financial year 2014-15, 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 ₹5.65 Lakhs thereon.

NOTE 12 - INTANGIBLE ASSETS:

	(₹ in Lakhs)		
	Computer software	Product Know-how	Total
Gross Block			
At April 1, 2014	120.02	438.76	558.78
Purchase	24.11	4.00	28.11
Disposal	—	—	—
At March 31, 2015	144.13	442.76	586.89
Purchase	12.12	160.12	172.24
Disposal	(16.76)	—	(16.76)
At March 31, 2016	139.49	602.88	742.37
Amortization			
At April 1, 2014	71.93	314.44	386.37
Charge for the year	20.76	80.79	101.55
Disposal	—	—	—
At March 31, 2015	92.69	395.23	487.92
Charge for the year	19.47	66.43	85.90
Disposal	(16.76)	—	(16.76)
At March 31, 2016	95.40	461.66	557.06
Net Block			
At March 31, 2015	51.44	47.53	98.97
At March 31, 2016	44.09	141.22	185.31

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs

NOTE 13 - NON-CURRENT INVESTMENTS:

Trade investments (valued at cost unless stated otherwise)

Equity instruments:

Biodil Marsing Private Limited. (unquoted)*	5.90	5.90
59,000 (March 31, 2015 - 59,000) Equity shares of ₹10 each fully paid up		
Abbott India Limited (AIL). (quoted)	0.01	0.01
139 (March 31, 2015 - 139) Equity shares of ₹10 each fully paid-up		
Shivalik Solid Waste Management Limited (unquoted)	2.00	2.00
20,000 (March 31, 2015 - 20,000) Equity shares of ₹10/- each		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 13 - NON-CURRENT INVESTMENTS: (contd.)		
Syngene International Limited (quoted) (March 31, 2015 - unquoted) 6,87,224 (March 31, 2015 - 96,448) Equity shares of ₹10/- (March 31, 2015 - ₹10) fully paid up	366.50	366.50
Non-trade investments (valued at cost unless stated otherwise) (unquoted)		
Health and Wellness India Private Limited (Refer Note (below) 30,12,504 (March 31, 2015 - 30,12,504) Equity shares of ₹10 each fully paid-up (includes goodwill of ₹244.82 Lakhs (March 31, 2015 ₹244.82 Lakhs)	9.42	64.29
Zela Wellness Private Limited (Refer Note (below) 19,600 (March 31, 2015 - 19,600) Equity shares of ₹10 each fully paid-up	—	—
Other Investment		
Agastya Films LLP	—	—
Subscription/application money		
Health and Wellness India Private Limited (Refer Note 31)	309.86	309.86
Zela Wellness Private Limited (Refer Note 31)	175.00	175.00
Noble Explochem Ltd	597.00	584.00
	1,465.69	1,507.56
Less: Provision for diminution in value of investments *	5.90	5.90
	1,459.79	1,501.66
Aggregate amount of quoted investments (Market value: ₹2,647.20 Lakhs (March 31, 2015 - ₹5.49 Lakhs))	366.51	0.01
Aggregate amount of unquoted investments	1,093.28	1,501.65
Aggregate provision for diminution in value of investments	5.90	5.90

Note: The share of losses in HWIPL of ₹ 465.58 Lakhs of HWIPL and in Zela of ₹ 50 Lakhs have been adjusted against the value of respective investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 14 - LOANS AND ADVANCES:				
Capital advances				
Unsecured, considered good	250.94	423.52	133.20	—
	250.94	423.52	133.20	—
Security deposit				
Unsecured, considered good	163.50	121.83	—	—
Doubtful	—	—	—	—
	163.50	121.83	—	—
Provision for doubtful security deposit	—	—	—	—
	163.50	121.83	—	—
Advances recoverable in cash or kind				
Unsecured, considered good	34.79	19.72	394.41	328.09
Doubtful	24.09	24.09	13.68	9.44
	58.88	43.81	408.09	337.53
Provision for doubtful advances	24.09	24.09	13.68	9.44
	34.79	19.72	394.41	328.09
Other loans and advances (unsecured)				
Inter corporate deposit (Refer Note 30(iii))	267.84	267.83	—	325.00
Advance income-tax (net of provision for taxation)	—	—	391.80	309.69
MAT credit entitlement	—	—	0.64	0.64
Prepaid expenses	—	1.47	58.41	29.84
Loans to employees	35.36	68.61	31.28	18.07
Balances with statutory/government authorities	—	—	204.23	171.46
Others	2.01	—	—	—
	305.21	337.91	686.36	854.70
Less: Provision for doubtful inter corporate deposit	267.83	267.83	—	—
	37.38	70.08	686.36	854.70
	486.61	635.15	1,213.97	1,182.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 15 - TRADE RECEIVABLES AND OTHER ASSETS:				
15.1. Trade receivables				
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	709.79	302.65
Considered doubtful	176.06	170.67	5.97	5.97
	<u>176.06</u>	<u>170.67</u>	<u>715.76</u>	<u>308.62</u>
Less: Provision for doubtful debts	176.06	170.67	5.97	5.97
	<u>-</u>	<u>-</u>	<u>709.79</u>	<u>302.65</u>
Other receivables				
Considered good	-	-	3,590.77	3,250.56
	<u>-</u>	<u>-</u>	<u>4,300.56</u>	<u>3,553.21</u>

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
15.2. Other assets				
Unsecured, considered good unless stated otherwise				
Non-current bank deposit balances (Refer Note 18)	15.04	-	184.34	9.45
Interest accrued (Refer Note 30 (iii))	-	1.68	187.74	164.28
Export Incentive receivable	-	-	216.67	-
	<u>15.04</u>	<u>1.68</u>	<u>588.75</u>	<u>173.73</u>

	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs
NOTE 16 - CURRENT INVESTMENTS:		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted		
Union KBC Equity Fund - Growth 3,35,570.470 (March 31, 2015 - 3,35,570.470) units of ₹10 each	—	50.00
Union KBC Small & Midcap Fund - Growth 20,00,000 (March 31, 2015 - 20,00,000) units of ₹10 each	—	200.00
Union KBC Capital Protection Oriented Fund - Series 5 5,00,000 (March 31, 2015 - 5,00,000) units of ₹ 10 each	50.00	50.00
Union KBC Dynamic Bond Fund 2,27,324.392 (March 31, 2015 - 2,27,324.392) units of ₹ 10 each	30.00	—
	80.00	300.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 17. INVENTORIES (valued at lower of cost and net realizable value):		
Raw materials and components (includes in transit of ₹78.51 Lakhs (March 31, 2015: ₹29.89 Lakhs))	1,394.79	1,037.39
Work-in-progress - Motion Film production (Refer note no. 30(ii))	294.71	45.06
Work-in-progress	787.91	820.12
Finished goods	182.89	95.90
Stores and spares	136.44	164.98
	2,796.74	2,163.45

	Non current		Current	
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 18. CASH AND BANK BALANCES:				
Cash and cash equivalents				
Balances with banks:				
With scheduled banks on:				
Current account	-	-	400.64	220.14
Unclaimed dividend account	-	-	27.67	30.24
Deposits with original maturity of less than three months	-	-	0.03	0.03
With non-scheduled bank on:				
Current account #	-	-	44.86	53.06
Cheque(s) on hand	-	-	-	20.47
Cash on hand	-	-	5.56	6.45
	-	-	478.76	330.39
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	1,395.68
Deposits with original maturity for more than 12 months	0.70	-	-	-
Margin money deposit ##	14.34	-	184.34	9.45
	15.04	-	184.34	1,405.13
Amount disclosed under non-current assets (Refer note 15.2)	(15.04)	-	(184.34)	(9.45)
	-	-	478.76	1,726.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

# includes	Maximum balance outstanding during the year		Balance as on	
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Ceskoslovenska obchodni banka, a.s. Czech Republic	14.92	26.55	0.87	10.16
Komerční banka, a.s. Czech Republic	0.01	0.01	0.01	0.01
National Westminster Bank Plc. London	42.89	42.89	43.98	42.89
			<u>44.86</u>	<u>53.06</u>

Margin money deposits with a carrying amount of ₹68.68 Lakhs (March 31, 2015 ₹ 9.45 Lakhs) are subject to first charge to secure the letters of credit facilities availed by the Company.

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

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 19 - REVENUE FROM OPERATIONS:		
19.1 Revenue from operations		
Sale of products		
Finished goods	14,419.08	13,158.44
Traded goods	218.52	120.16
	<u>14,637.60</u>	<u>13,278.60</u>
Less: Excise duty	294.77	370.70
	<u>14,342.83</u>	<u>12,907.90</u>
19.2 Other operating revenue		
Rent Income	523.43	982.05
Service Income	19.78	14.13
Scrap sales	4.75	3.47
Exports Incentive	303.04	—
Profit on sale/redemption of current investments - other than trade	46.75	30.53
Less: Loss on sale/redemption of current investments - other than trade	(5.07)	—
Insurance Claim	39.19	—
Dividend Income from investments:		
Current - other than trade	6.92	0.03
Interest income on:		
Inter-corporate deposits	16.01	134.34
Bank deposits	36.28	93.82
Security deposits and others	7.68	6.90
Bonds	—	2.00
	<u>59.97</u>	<u>237.06</u>
	<u>998.76</u>	<u>1,267.27</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 20 - OTHER INCOME:		
Profit on sale/disposal of fixed assets (net)	0.70	—
Exchange gain (net)	258.99	—
Dividend Income	0.20	—
Other non operating Income	4.74	6.63
	<u>264.63</u>	<u>6.63</u>
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 21 - COST OF PRODUCTION:		
Inventories of raw material / packing material at the beginning of the year	1,035.12	1,047.20
Add: Purchases	6,641.95	6,044.18
Less : Inventories of raw material / packing material at the end of the year	1,392.24	1,035.12
	<u>6,284.83</u>	<u>6,056.26</u>
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 22 - (INCREASE)/DECREASE IN INVENTORIES:		
Inventory at the end of the year (Refer Note 17)		
Work-in-progress	777.00	810.41
Finished goods	178.10	91.63
Work-in-progress - production of movie	—	45.06
	<u>955.10</u>	<u>947.10</u>
Inventories at the beginning of the year (Refer Note 17)		
Work-in-progress	810.41	872.75
Finished goods	91.63	188.16
Work-in-progress - production of movie	—	45.06
	<u>902.04</u>	<u>1,105.97</u>
	<u>(53.06)</u>	<u>158.87</u>
	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 23 - EMPLOYEE BENEFITS EXPENSE:		
Salaries, wages and bonus	2,419.46	2,110.52
Contribution to provident and other funds	126.89	114.91
Gratuity expenses (Refer Note 28 (b) (iv))	24.85	(10.30)
Employee welfare expenses	225.54	205.45
	<u>2,796.74</u>	<u>2,420.58</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 24 - OTHER EXPENSES:		
Consumption of stores and spares	468.07	459.97
Processing charges	445.12	378.36
Power and fuel	850.81	884.34
Water	16.43	13.65
Rates and taxes	152.98	108.13
Excise duty expenses	59.39	23.13
Rent	72.20	39.77
Insurance	74.76	89.07
Repairs and maintenance:		
Plant and machinery	94.24	57.28
Buildings	55.23	30.12
Others	140.81	165.94
Commission and discounts on sales	147.33	82.06
Advertising and sales promotion expenses	168.72	129.60
Packing, freight and distribution expenses	255.19	235.04
Travelling and conveyance	388.23	384.49
Legal and professional charges	382.54	304.33
Payment to auditors (Refer Note below)	43.38	37.28
Exchange loss (net)	—	99.96
Communication costs	44.59	48.58
Donation	31.66	9.26
Directors' sitting fees	10.60	11.20
Printing and stationery	60.02	46.78
Staff recruitment expenses	16.25	23.33
Provision for doubtful advances	4.24	1.47
Provision for doubtful debts	5.39	—
Bad debts	10.00	5.84
Interest on delayed tax payments	—	0.05
Loss on sale of fixed assets	48.50	5.37
Loss on deletion of fixed assets	4.91	—
Miscellaneous expenses	220.24	193.37
	4,271.83	3,867.77
	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs
Payment to auditors'		
As auditor		
Audit fee	22.35	17.00
Tax audit fees	4.70 *	4.70 *
Limited review	13.50	13.50
In other capacity in respect of:		
Other services (certification fees)	0.75	0.25 *
Reimbursement of expenses	2.08 *	1.83 *
	43.38	37.28
	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs

* includes amount payable to another auditor

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 25 - DEPRECIATION AND AMORTIZATION EXPENSE:		
Depreciation of tangible assets	749.10	756.30
Amortization of intangible assets	85.90	101.55
	835.00	857.85

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 26 - FINANCE COST:		
Interest on term loans	245.75	148.52
Interest on intercorporate deposits	1.99	–
Interest on Working Capital	302.49	270.51
Interest on others	45.41	31.13
Loan Processing Fees	19.05	–
	614.69	450.16

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
NOTE 27 - EARNINGS PER SHARE (EPS):		
Profit/(loss) after tax	(113.42)	46.38
	No. in Lakhs	No. in Lakhs
Weighted average number of equity shares in calculating basic EPS	22.93	22.93
Earnings per share (₹ Per share):	(4.95)	2.02

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, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
a) Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 23 for the year are as under:		
- Provident fund	125.75	112.45
- Superannuation scheme	1.14	2.46
b) Defined Benefit Plan		
Gratuity - As per actuarial valuation		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

	March 31, 2016	March 31, 2015
	₹ in Lakhs	₹ in Lakhs
	Gratuity (Funded)	
i) Changes in the present value of the defined benefit:		
Opening	164.47	190.60
Interest cost	13.66	19.32
Current service cost	20.75	22.54
Benefits paid	(7.06)	(28.52)
Actuarial (gains) / losses on obligation	10.22	(39.47)
Closing	202.04	164.47
ii) Changes in fair value of plan assets		
Opening	186.04	189.28
Expected return on plan assets	16.35	16.86
Actuarial (gains) / losses on obligation	1.56	(1.74)
Employer's contribution	20.26	10.16
Benefits paid	(7.06)	(28.52)
Closing	217.15	186.04
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	(202.04)	(164.47)
Fair value of plan asset	217.15	186.04
Amount not recognised as Asset	(1.06)	(2.92)
Net Asset / (liability) recognised in balance sheet	14.05	18.65
iv) Amounts recognised in profit and loss account		
Current service cost	20.75	22.54
Interest cost	13.66	19.32
Expected return on plan assets	(16.35)	(16.86)
Net actuarial (gain) / loss recognised	8.65	(37.73)
Amount not recognised as Asset	(1.86)	2.43
Total expense	24.85	(10.30)
v) Actual return on plan assets	17.91	15.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs
Gratuity (Funded)

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

vi) Principal assumptions used in actuarial valuation

Discount rate	7.85 %	7.90 %
Expected return on plan assets	8.00 %	9.15 %
Salary escalation rate	5 %	5 %
Withdrawal rate	21 to 30 - 10 %	21 to 30 - 10 %
	31 to 40 - 5 %	31 to 40 - 5 %
	41 to 50 - 3 %	41 to 50 - 3 %
	51 to 57 - 2 %	51 to 57 - 2 %

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

	DIL	FBL	DIL	FBL
Investments with insurer	100%	99%	100%	95%
Investments with others	Nil	1%	Nil	5%

Gratuity (Funded)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
viii) Amounts for the current and previous three periods					
Defined benefit obligation	202.03	164.46	190.59	180.89	152.48
Plan Assets	217.16	186.04	189.28	176.33	121.61
Surplus/(deficit)	15.13	21.58	(1.31)	(4.56)	(30.88)
Experience Adjustments on plan liabilities	9.38	2.92	(12.23)	(11.24)	(19.41)
Experience Adjustments on plan assets	1.56	(1.74)	(3.16)	1.15	(4.34)

- ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.
- b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- c) The estimates of rate escalation in salary considered in the actuarial valuation takes into account inflation, seniority promotion and other relevant factors including supply demand in the employment market.
- d) The Group (consisting of parent Company and Fermenta Biotech Limited only) is expected to contribute to the Gratuity fund during 2016-17 ₹ 20 Lakhs (March 31, 2015 ₹ 10 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

March 31, 2016 March 31, 2015
₹ in Lakhs ₹ in Lakhs

NOTE 29 - LEASES:

Assets taken on operating lease

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

1	Lease payments recognised in the statement of profit and loss for the year.	72.20	39.77
2	Future minimum lease payment under non cancellable leases in the aggregate and for each of the following periods:		
	i) Not later than one year	71.66	23.11
	ii) Later than one year and not later than five years.	76.93	4.09

Assets given on operating lease

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

The Company has also entered into operating lease 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. (includes rentals on sub-lease of ₹420.67 lakhs (March 31, 2015 ₹420.67 lakhs which is terminated w.e.f. 31.07.2016)	523.43	982.05
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	394.46	226.22
	ii) Later than one year and not later than five years	408.59	8.91
	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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

statement for business and translated by the Management as per Indian GAAP, is as follows:-

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Percentage of holding	50%	50%
Current assets		
i) Inventories		
Raw materials and components	2.55	2.27
Work-in-progress	10.91	9.71
Finished goods	4.80	4.27
ii) Others	1.85	1.64
Non-current assets	0.88	0.79
Current liabilities	0.90	0.80
Non-current liabilities	—	—
	21.89	19.48
Revenue	—	—
Cost of material consumed	—	—
Depreciation of plant and machinery	—	—
Employee benefit expenses	—	—
Other expenses	—	—
Profit before tax	—	—
Income tax expenses	—	—
Profit after tax	—	—
Commitments and contingent liabilities	—	—

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

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

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

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Percentage of holding	50%	50%
Current assets	333.21	—
Non-current assets	—	—
Current liabilities	45.29	—
Non-current liabilities	—	—
	378.50	—
Revenue	0.01	—
Cost of material consumed	—	—
Depreciation of plant and machinery	—	—
Employee benefit expenses	—	—
Other expenses	0.10	—
Profit before tax	(0.09)	—
Income tax expenses	—	—
Profit after tax	(0.09)	—
Commitments and contingent liabilities	—	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Note 30 (iii) During the previous year ending March 31, 2015, 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. Accordingly, company has accrued interest of ₹16.01 lakhs (March 31, 2015 - ₹132.17 lakhs).

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 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 previous year the Company has invested ₹100 Lakhs towards additional share subscription money.

During the current year, Company has entered into supplementary agreement with other investors in Zela Wellness Private Limited (Zela) to convert the said additional share subscription money of ₹150 Lakhs invested in Zela Wellness Private Limited (Zela) into 0.001% Non Cumulative Compulsory Convertible Preference shares. On consolidation/merging of operations of Health & Wellness India Private Limited (H&W) & Zela Wellness Private Limited (Zela) into resultant unified entity, the said preference shares of Zela Wellness Private Limited (Zela) to be converted into equity shares of resultant unified Company. Post completion of unification of operations and conversion of preference shares into equity shares of the unified entity and on shareholding alignment, the Company will own 53.67% stake in the combined entity.

NOTE 32 - RELATED PARTY DISCLOSURES:

a. Parties where control exists

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

Holding company

DVK Investments Private Ltd.

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

Fellow Subsidiary

VM Café De Art Private Ltd. (Strike off w.e.f. 15.09.2015)

c. Key Management Personnel

1. Mr. Krishna Datla - Managing Director
2. Mr. Satish Varma - Managing Director (FBL).
3. Ms. Anupama Datla - 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).
10. Mr. Kapil Gohil - Chief Financial Officer (From 1st April 2015) (FBL)
11. Mr. Sanjay Basantani - Company Secretary (FBL)

d. Associates

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

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

Magnolia FNB Private Ltd.
Dupen Laboratories Pvt Ltd.
Lacto Cosmetic (Vapi) Pvt. Ltd.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 32 - RELATED PARTY DISCLOSURES : (contd.)

g. Transactions with related parties.

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

(₹ in Lakhs)					
Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
1 Remuneration					
- Mr. Satish Varma			88.44 (67.78)		
- Mr. Krishna Datla			70.29 (68.97)		
- Mr. Keshav H Kashid			52.58 (61.99)		
- Mr. Prashant Nagre			87.27 (75.57)		
- Mr. Sudarshan Kamath			- (27.69)		
- Mr. Rajeev Midha			- 23.68		
- Mr. Srikant N Sharma			25.55 (29.54)		
- Ms. Anupama Datla			75.02 (53.03)		
- Mr. Rajendra Gaitonde			- (22.40)		
- Mr. Kapil Gohil			31.45 -		
- Mr. Sanjay Basantani			16.94 -		
Directors sitting fees					
DIL Limited			1.45 (1.00)		
Fermenta Biotech Limited			1.55 (1.65)		
2 Sales					
- Dupen Laboratories Private Ltd.				14.16 (4.48)	
3 Purchase of raw material					
- Dupen Laboratories Private Ltd.				8.58 (12.44)	
- Lacto Cosmetics (Vapi) Private Ltd.				5.54 (3.05)	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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
4 Processing Charges paid					
- Lacto Cosmetics (Vapi) Private Ltd.				7.20 (14.29)	
5 Rent income					
- DVK Investment Private Ltd.	1.49 (1.42)				
- Magnolia FNB Private Ltd.				1.20 (1.20)	
6 Investment in equity share capital (Refer Note 13)					
- Health and Wellness India Private Ltd.					-
- Zela Wellness Private Ltd.					-
					(100.00)
7 Balance outstanding as at the year end					
a.Trade payable					
- Lacto Cosmetics (Vapi) Pvt. Ltd.				4.23 (5.89)	
- Dupen Laboratories Private Ltd.				8.58 (2.86)	
- Mr. Prashant Nagre			14.39 (7.92)		
- Ms. Anupama Datla			23.33 -		
- Mr. Satish Varma			23.33 -		
- Mr. Keshav H Kashid			- (9.22)		
- Mr. Srikant N Sharma			- (4.38)		
- Mr. Kapil Gohil			3.00 -		
b.Trade receivables					
- Dupen Laboratories Private Ltd.				4.14 (5.02)	

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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)

	2015-2016				
	2014-2015				
	Chemicals	Property	Treasury	Entertainment	Total
a. Revenue					
Segment revenue	14,969.05	631.41	114.64	–	15,715.10
	12,925.43	1,088.40	281.25	–	14,295.08
Less: Inter-segment revenue	–	102.82	16.90	–	119.72
	–	101.49	22.72	–	124.21
Unallocated revenue					10.84
					10.93
Total					15,606.22
					14,181.80
b. Result					
1. Segment result / operating profit / (loss)	2,168.45	159.42	97.64	(92.56)	2,332.95
	767.23	597.01	243.52	(90.48)	1,517.28
2 Finance costs					614.69
					450.16
3 Unallocable income/(expenditure) (net)					(1,022.18)
					(778.81)
4 Profit before tax					696.08
					288.31
5 Provision for tax					
- current tax					349.10
					86.98
- deferred tax					75.72
					105.95
6. Profit after tax					271.26
					95.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 33 - SEGMENT INFORMATION (contd.):

(₹ in Lakhs)

	2015-2016				
	2014-2015				
	Chemicals	Property	Treasury	Entertainment	Total
c. Other information					
1. Segment assets	15,650.27 <i>13,736.85</i>	9,560.79 <i>7,370.63</i>	2,033.54 <i>3,681.66</i>	290.87 <i>267.00</i>	27,535.47 <i>25,056.14</i>
2. Unallocated corporate assets					1,288.75 <i>1,158.13</i>
3. Total assets					28,824.22 <i>26,214.27</i>
4. Segment liabilities	4,912.99 <i>4,113.18</i>	937.11 <i>648.85</i>	– <i>366.50</i>	292.35 <i>227.22</i>	6,142.45 <i>5,355.75</i>
5. Unallocated corporate liabilities					9,699.76 <i>7,696.32</i>
6. Total liabilities					15,842.21 <i>13,052.07</i>
7. Cost incurred during the year to acquire					
- segment tangible and intangible assets	819.19 <i>569.22</i>	2,167.94 <i>5,534.00</i>	– <i>–</i>	0.59 <i>0.82</i>	2,987.72 <i>6,104.04</i>
- unallocated segment tangible and intangible assets					54.92 <i>36.51</i>
8. Depreciation and amortization expense	654.39 <i>675.14</i>	142.87 <i>137.17</i>	– <i>–</i>	4.00 <i>4.64</i>	801.26 <i>816.95</i>
9. Unallocated depreciation					33.74 <i>40.90</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:

	2015-16	2014-15
	₹ in Lakhs	₹ in Lakhs
India	5,496.84	4,986.44
Europe	8,010.70	6,939.06
Others countries	2,087.84	2,245.37
	15,595.38	14,170.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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	
	2015-2016 ₹ in Lakhs	2014-2015 ₹ in Lakhs	2015-2016 ₹ in Lakhs	2014-2015 ₹ in Lakhs
India	25,343.32	24,183.83	3,042.61	6,140.55
Outside India	3,480.90	2,030.44	–	–
	28,824.22	26,214.27	3,042.61	6,140.55

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

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

₹ in Lakhs

Sl No.	Particulars	Name of the Entity	March 31, 2016				March 31, 2015			
			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	48%	6,278.78	896%	(1,016.64)	54%	7,146.31	-95%	(44.16)
2	Subsidiaries									
	Indian	Aegean Properties Limited	1%	65.89	22%	(24.90)	1%	88.76	-72%	(33.30)
		CC Square Films Ltd	0%	0.03	0%	(0.50)	0%	0.06	-1%	(0.43)
		Fermenta Biotech Limited	70%	9,030.75	-1,163%	1,319.46	60%	7,931.31	385%	178.40
		G I Biotech Private Limited	0%	2.04	1%	(0.59)	0%	2.63	-2%	(0.74)
	Foreign	Fermenta Biotech (UK) Limited	1%	142.58	5%	(5.49)	1%	148.07	-9%	(4.39)
	Joint Ventures	Vasko Glider s.r.o	0%	20.09	0%	–	0%	17.87	0%	–
		Agastya Films LLP	0%	(0.66)	0%	(0.09)	0%	–	0%	–
3	Minority Interest		-20%	(2,566.91)	291%	(329.81)	-17%	(2,237.10)	-16%	(7.29)
4	Associates									
		Health And Wellness India Private Limited	0%	9.42	48%	(54.87)	1%	64.29	-90%	(41.71)
		Zela Wellness Private Limited	0%	–	0%	–	0%	–	0%	–
Total			100%	12,982.01	100%	(113.43)	100%	13,162.20	100%	46.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 35 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Estimated amount of contracts remaining to be executed on capital account.		
DIL Limited	640.71	1,611.28
Fermenta Biotech Limited	526.52	43.48

NOTE 36 - CONTINGENT LIABILITIES:

	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ 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
– 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	54.99	21.31
	<u>90.12</u>	<u>77.68</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, 2016 and as at March 31, 2015.

b) Un-hedged foreign currency exposure:

Particulars	March 31, 2016		March 31, 2015	
	Foreign Currency in millions	₹ in Lakhs	Foreign Currency in millions	₹ in Lakhs
DIL Limited				
a) Cash and bank balance	Kc 0.03	0.87	Kc 0.41	10.16
Fermenta Biotech Limited				
a) Trade receivables	USD 0.87 EURO 2.95	572.99 2,204.80	USD 1.11 EURO 2.67	696.84 1,810.64
b) Trade payables	USD 0.37 EURO 0.46 GBP 0.00	244.97 347.33 0.69	USD 0.55 EURO 0.20 GBP 0.00	342.48 132.72 3.46
c) Short Term Borrowing (PCFC)	EURO 0.80	601.09	–	–
d) Cash and Bank Balances (EEFC)	EURO 0.00	0.30	EURO 0.00	0.29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Particulars	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
a i) Principal amount remaining unpaid to any supplier at the end of the accounting year	5.14	19.42
ii) Interest due on above	0.10	1.23
The Total of (i) & (ii)	5.24	20.65
b The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	-	1.23
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	1.23
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

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

Note 40 - Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed assets/ capital work-in-progress (CWIP).

Particulars	March 31, 2016 ₹ in Lakhs	March 31, 2015 ₹ in Lakhs
Finance costs	412.76	401.53
Total	412.76	401.53

NOTE 41 - Previous year's figures have been regrouped/classified wherever necessary to conform with current year's classification.

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 27, 2016.

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

SANJAY BUCH
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

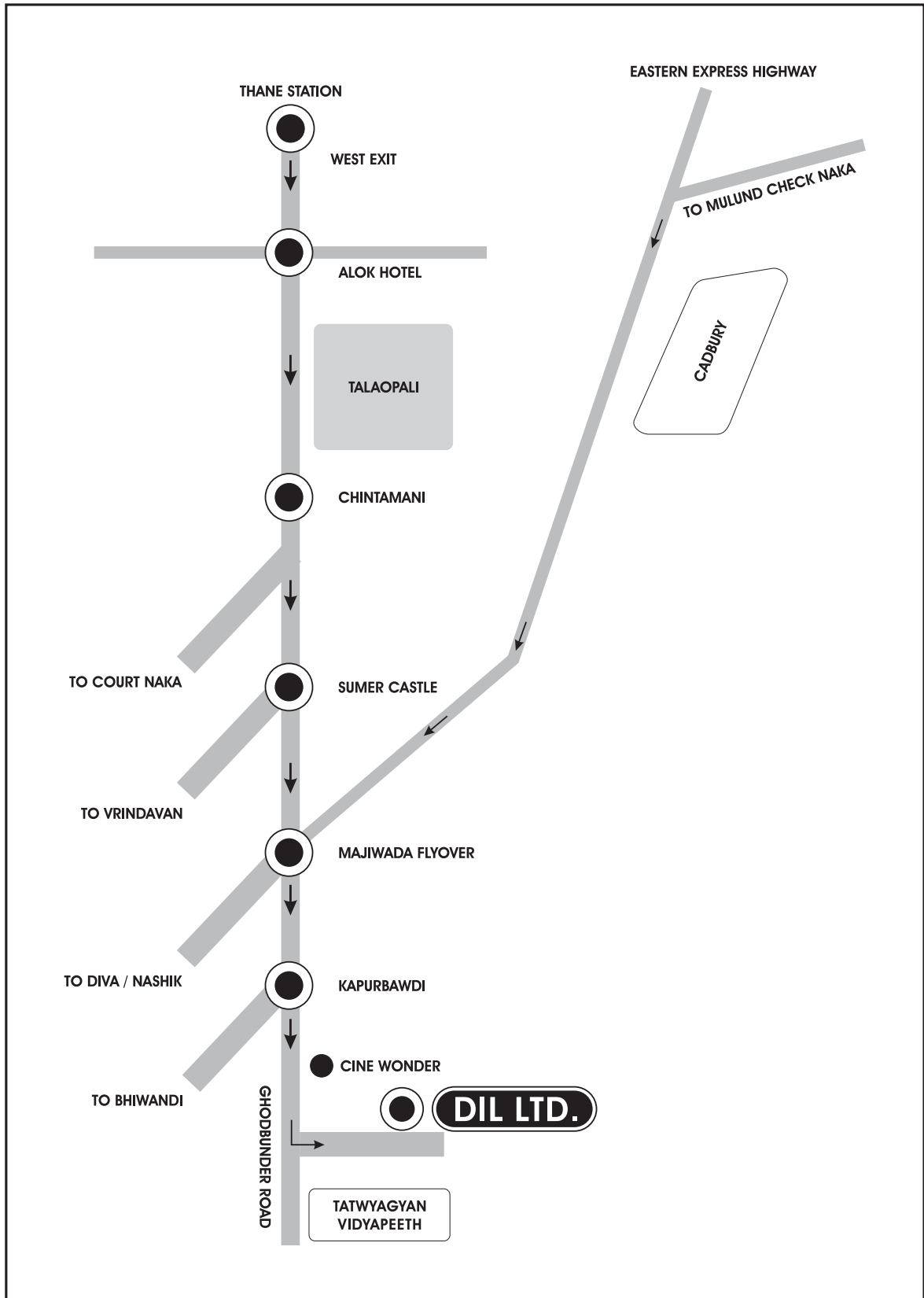
VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 27, 2016.

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 27, 2016 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, 2016, 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, 2016 along with report of the Auditors thereon.			
2.	To declare a Final Dividend on equity shares (₹ 2.50 per equity share) of ₹ 10 each for the financial year ended March 31, 2016.			
3.	To appoint a Director in place of Ms. Rajeshwari Datla (DIN : 00046864), who retires by rotation and being eligible offers herself for reappointment.			
4.	To ratify the appointment of Statutory Auditors and to fix their remuneration.			
5.	To consider and approve creation of mortgage and/or charge under section 180(1)(a) of Companies Act, 2013.			
6.	To consider and approve delivery of documents to a member through a particular mode pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013			

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 26, 2016 (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. In case of 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 20, 2016 ("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 26, 2016 (5.00 p.m. IST). Ballot Form received after this 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 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. They 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 and communicated to the Stock Exchange where the Company's 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.

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

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on Saturday, September 24, 2016 (9.00 a.m.IST) and ends on Monday, September 26, 2016 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of September 20, 2016, 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.
- (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 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 Members holding shares in Demat Form and/or Physical Form
PAN* (Mandatory)	- Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders) - 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. - 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.
Dividend Bank Details OR Date of Birth (DOB)	- 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. - Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. - 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).

- (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,

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) 160816007 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ATTENDANCE SLIP

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

DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Regd. Office: '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-Fourth Annual General Meeting of the Company held at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400 610 on Tuesday, September 27, 2016 at 3.00 p.m.

Member(s)/Proxy's Signature

Note :

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

TEAR HERE

PROXY FORM

(Pursuant to Section 105 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 Fourth Annual General Meeting of the Company, to be held on Tuesday, September 27, 2016 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, 2016, Reports of the Board of Directors' and the Auditors thereon and (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 along with Report of the Auditors thereon.		
2	To declare a Final Dividend on equity shares (₹ 2.50 per equity share) of ₹ 10 each for the financial year ended March 31, 2016.		
3	To appoint a Director in place of Ms. Rajeshwari Datla (DIN – 00046864), who retires by rotation and being eligible offers herself for reappointment.		
4	To ratify the appointment of Statutory Auditors and to fix their remuneration		
5	To consider and approve creation of mortgage and/or charge under section 180(1)(a) of Companies Act, 2013		
6	To consider and approve delivery of documents to a member through a particular mode pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013.		

Signed thisday of2016 Signature of Shareholder:.....

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

Notes:

- * 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.

Affix
Revenue
Stamp
of Re. 1