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Ref: DIL:DIL/BSE/2018-19/F.No.:S-23/ DE05

October 1, 2018

**Corporate Relations**

**BSE Limited**

**Phiroze Jeejeebhoy Towers,**

**Dalal Street, Fort,**

**Mumbai – 400 001**

Dear Sir,

**Sub. : Submission of Annual Report**

**Ref.: Code No. 506414**

In accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report 2017-18 as approved and adopted by the members of the Company in the 66<sup>th</sup> Annual General Meeting of the Company held on September 28, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,

for **DIL LIMITED**

**SRIKANT N SHARMA**

**COMPANY SECRETARY**

CS Membership No: F3617

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

Encl: as above

**DISCOVER. DEVELOP. DELIVER.**



66<sup>th</sup> Annual Report, 2017-18

#### DISCLAIMER

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS – WRITTEN AND ORAL – THAT WE PERIODICALLY MAKE, CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS. WE HAVE TRIED, WHEREVER POSSIBLE, TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATES', 'ESTIMATES', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES' AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE. WE CANNOT GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN MAKING OUR ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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This is the annual report of DIL Limited ('DIL'/the 'Company') for the financial year 2017-18 (FY2017-18). A dominant portion of the Company's revenues and profits are derived from its subsidiary Fermenta Biotech Ltd. (Fermenta). Even though the annual report is that of the holding company DIL, it has focused on the performance and prospects of Fermenta for enhanced transparency and better understanding.



# This is what you need to know about DIL Limited, the holding company



Subsequent to the transfer of equity shares, DIL's holding in Fermenta has increased to 91.20%.

DIL Ltd. (earlier known as Duphar-Interfran Ltd.) is a respected publicly-listed company. It has built a distinctive reputation in the business of pharmaceuticals, biotechnology, environment solutions and other segments.

#### Presence

The Company is head-quartered in Thane with its registered office address at A-1601, Thane

One, DIL Complex, Majiwade, Thane (West), 400 610, Maharashtra, India.

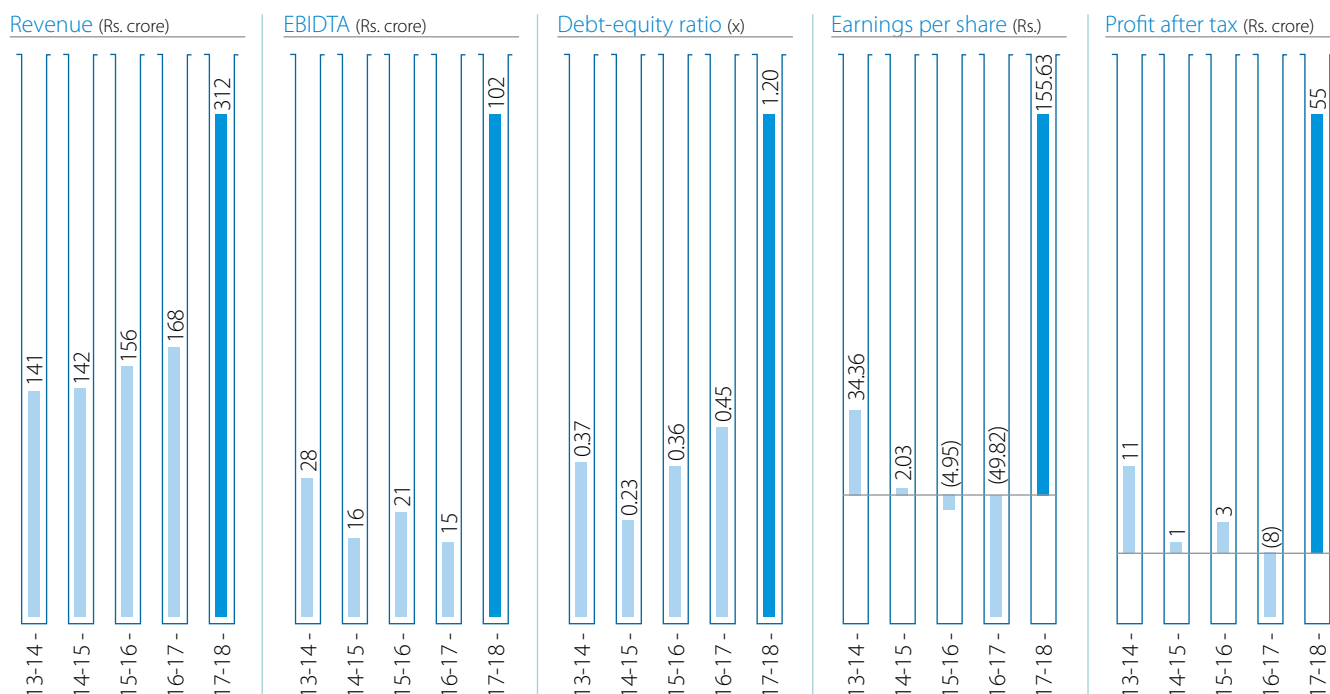
#### About DIL

DIL Ltd. (earlier known as Duphar-Interfran Ltd.) is a respected public listed company. It has built a stellar reputation for itself in the arenas of pharmaceuticals, biotechnology, environment solutions and other segments. DIL purchased 38,30,072 equity

shares from Evolve India Life Science Fund LLC, representing 21.05% of the total paid-up equity share capital of Fermenta. Subsequent to the transfer of equity shares, DIL's holding in Fermenta has increased to 91.20%. DIL completed the construction of a corporate Information technology (IT) park in one of Thane's prime locations, a Mumbai suburb and one of the fastest-growing cities in India.



# Financial credentials of DIL (consolidated)



**Note:** Financials of FY2016-17 and FY2017-18 are as per IND AS

## Why is this measured?

It highlights the service acceptance and reach of a company in the market.

## What does it reveal?

Aggregate sales increased by 86% to reach Rs. 312 crore in FY2017-18 following increasing demand for existing products at higher prices and improved footprint.

## Why is this measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflation and can be easily compared with the retrospective averages of sectoral peers.

## What does it reveal?

The Company reported a 591% increase in its EBITDA in FY2017-18, primarily due to higher revenues.

## Why is this measured?

A measure of a company's financial health, indicating the ability of a company to remunerate shareholders over debt providers.

## What does it reveal?

The Company's gearing increased from 0.45 times in FY2016-17 to 1.20 times in FY2017-18. The primary reason for the increase was due to the debt taken for buying the additional stake in Fermenta.

## Why is this measured?

EPS serves as an indicator of the financial health of a company. Increasing EPS indicates better profitability.

## What does it reveal?

The EPS of the Company improved from a (-) of Rs. 49.82 in 2016-17 to (+) of Rs. 155.63 in 2017-18.

## Why is this measured?

It highlights the strength in the business model in generating value for its shareholders.

## What does it reveal?

The Company reported a (+) PAT of Rs. 54.84 crore in FY2017-18 over a loss of Rs. 8.23 crore in FY2016-17- reflecting the robustness of the business model in capitalising on trends and growing shareholder value.

# Six things you need to know about Fermenta

## Fermenta Biotech Ltd – An inclusive perspective

- Fermenta – a futuristic company, specialising in the knowledge-intensive niche of nutritive healthcare, bio-pharmaceuticals and environment solutions
- Fermenta – a progressive company, engaged in consistent stakeholder value creation through focused offerings in the healthcare sphere.

Fermenta was recognised as a 'Strategic Business Partner' by Abbott India in 2017 for supplying quality Active Pharmaceutical Ingredient(s) (API).

## 01 Fermenta – a pioneering player

Fermenta is a well-respected company that has established a distinctive reputation in the areas of nutraceuticals, pharmaceuticals, biotechnology and environment solutions. With decades of rich history, Fermenta 'thinks young' and 'moves with the times'.

## 02 Fermenta – innovation-oriented

Head-quartered in Thane (Maharashtra) with manufacturing facilities in Kullu (Himachal Pradesh) and Dahej (Gujarat), Fermenta is engaged in cutting-edge research that has enhanced process and product effectiveness. Fermenta has invested in a state-of-the-art R&D facility in Thane.

## 03 Fermenta – globally present

Fermenta continues to enjoy a global presence. Fermenta's quality and service capability is validated by its sales footprint in >50 countries in addition to being a dependable supplier to >200 companies in India.

## 04 Fermenta – a distinct front-runner

Fermenta is a leading manufacturer and global supplier of Vitamin D3. It adheres to the best global norms and quality control standards, certified by various international bodies for its products and manufacturing facilities. Fermenta produces a range of variants – crystalline, oil, resin in oil, cold water dispersible (CWD), and feed grade powder, that can be used in applications like injectables, soft gel capsules, premixes, as well as food and beverage fortification. It caters to requirements of major pharmaceutical, nutraceutical, food and animal feed manufacturers across the globe. Fermenta is a formidable producer of Penicillin G Amidase, CAL B Lipase and other enzyme technologies for manufacturing beta lactam antibiotics. Fermenta also provides customised sustainable environmental solutions, designed to tackle growing environment concerns.

## 05 Fermenta – Various business verticals

### Biotechnology

Fermenta is a pioneer in developing immobilised enzyme catalysts. Some flagship enzyme products range from the classical 'white enzyme', Penicillin G Amidase (PA 850) to advanced enzyme variants like Novel Penicillin G Amidase (PS 250) and CAL B Lipase (CAL B 10000). The Company also offers enzyme immobilisation optimisation and supply services that cover multi-tonne quantities. Fermenta is a leader in providing immobilised enzymes, enzyme technologies and proprietary immobilisation platforms.

### Pharmaceuticals

Fermenta is the only manufacturer and supplier of Vitamin D3 in India and among the largest global manufacturers.

Its fully-integrated Vitamin D3 API manufacturing facilities provide product superior quality and cost-effectiveness.

Fermenta has been manufacturing Vitamin D3 for





>50 years with a base of over 300+ customers, which can be used for various applications in human and animal nutrition. Fermenta's manufacturing facilities are benchmarked with the best global standards, backed by dedicated professionals and accreditation from various regulatory

agencies.

- The Company's strength lies in harnessing cutting-edge technology to manufacture world-class quality APIs.
- For over 25 years, Fermenta has been dedicated to manufacturing specialty APIs and bio-catalysts.

Fermenta is a trusted and reliable global source of specialty pharmaceutical products worldwide.

#### Environmental solutions

Fermenta possesses expertise in enzyme-based technologies, offering integrated environmental solutions. Fermenta's tailor-made solutions

and platform technologies provide unique waste water management and treatment advantages. Fermenta's products span a range of applications: encompassing integrated solutions for sewage treatment plants and effluent treatment plants; from waste water to solid waste management; among others.

#### 06 Fermenta – Globally accredited

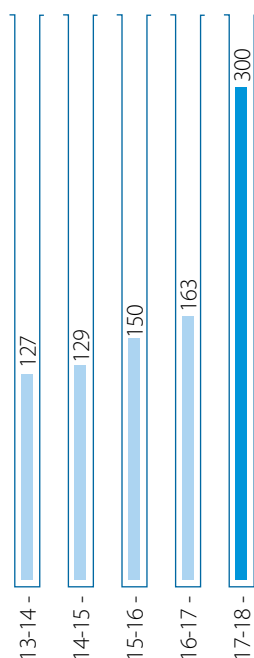
\* For dietary supplements



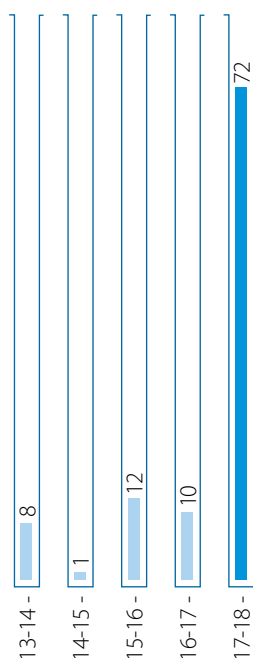


# This is how Fermenta has grown its business

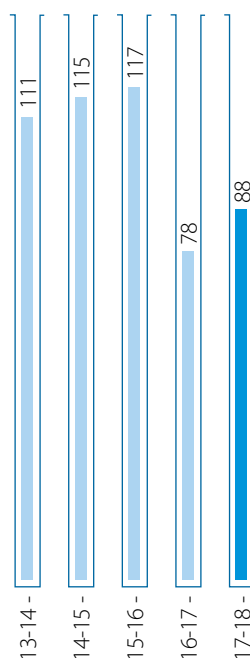
Turnover (Rs. crore)



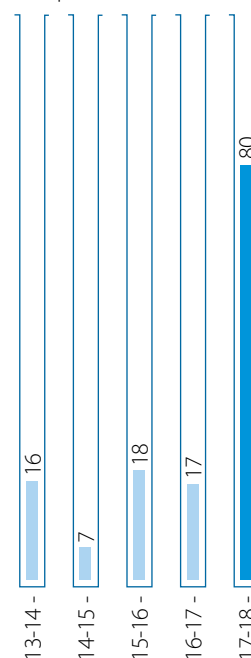
Profit after tax (Rs. crore)



Gross block (Rs. crore)



Cash profit (Rs. crore)



**Note:** Financials of FY2016-17 and FY2017-18 are as per IND AS

## Why is this measured?

This assesses the effectiveness of our strategic presence in niche segments, the efficacy of our research-driven product portfolio, how strategic our potential market selection has been, how strong our brand equity is and how efficiently we have been able to widen our market share.

## What does it reveal?

An 84% increase in turnover was the result of our enhanced capacity catalysed by a seamless access to raw materials.

## Why is this measured?

This index depicts the ultimate measure of the success of the business while also measuring the effectiveness of managing business expenses.

## What does it reveal?

A 620% increase in Fermenta's profitability was the result of our enhanced utilisation of capacity and resources, addition of customers and efficient cost management.

## Why is this measured?

The gross block pertains to the sum total of all assets of Fermenta valued at their respective costs of acquisition.

## What does it reveal?

A 13% increase in the gross block has been the result of the expansion in capacity of our Vitamin D3 business.

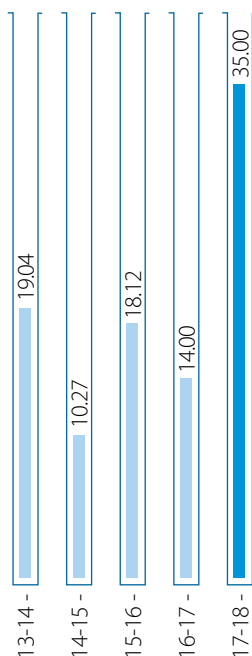
## Why is this measured?

Cash profit is an index of our financial comfort to grow the business without risking the robustness of our Balance Sheet.

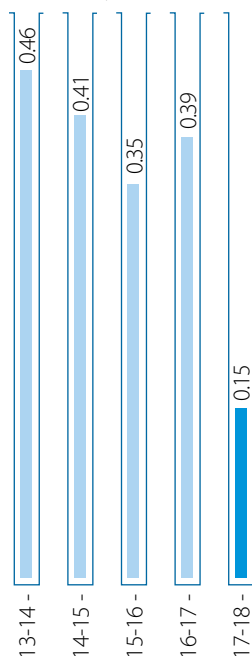
## What does it reveal?

Fermenta's focus on margins expansion and enhanced working capital management are expected to drive additional cash generation.

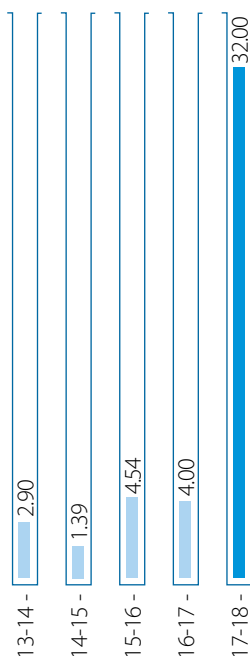
EBITDA margin (%)



Debt-equity ratio (x)



Interest cover



**Note:** Financials of FY2016-17 and FY2017-18 are as per IND AS

#### Why is this measured?

This index measures business efficiency in terms of an improvement in margins, thereby indicating our ability to deploy adequate surpluses for reinvestment.

#### What does it reveal?

This indicates the growing strength of Fermenta's business model.

#### Why is this measured?

This is a measure of Fermenta's financial health and indicates its ability to operate at a higher scale without relying overtly on borrowed funds.

#### What does it reveal?

The gradual decline in gearing is a validation of Fermenta's ability to sustain profitable growth.

#### Why is this measured?

This is used to determine Fermenta's ability to make interest payments in a timely manner.

#### What does it reveal?

The improvement in Fermenta's interest cover was a result of conversion of rupee loans to low-cost foreign currency loans on the one hand and business growth on the other.



# Fermenta's journey

Fermenta pioneered the launch of immobilised penicillin G acylase catalyst (Fermase PAR 250) for beta lactam intermediates

1986

**Established** as Fermenta Pharma Biodil Limited, now known as Fermenta Biotech Limited

1987

**Pioneered** the launch of immobilised penicillin G acylase catalyst (Fermase PAR 250) for beta lactam intermediates

1988

**Launched** improved enzyme catalyst PGA white (Fermase PAR 250) for beta lactam intermediates

2004

**Commenced** manufacture of Cholecalciferol (Vitamin D3), Isoxsuprine Hydrochloride and Phenyramidol Hydrochloride

2005

**Launched** improved enzyme catalyst PGA white (Fermase PA R 750) for beta lactam intermediates  
**Introduced** R-Oxynitrilase (Fermase OXR) for chiral synthesis

2006

**Introduced** Dilbeads, oxirane polymer beads for enzyme immobilisation  
**Launched** PGA catalyst blend (Fermase PAR 450) for cephalosporin intermediates

2007

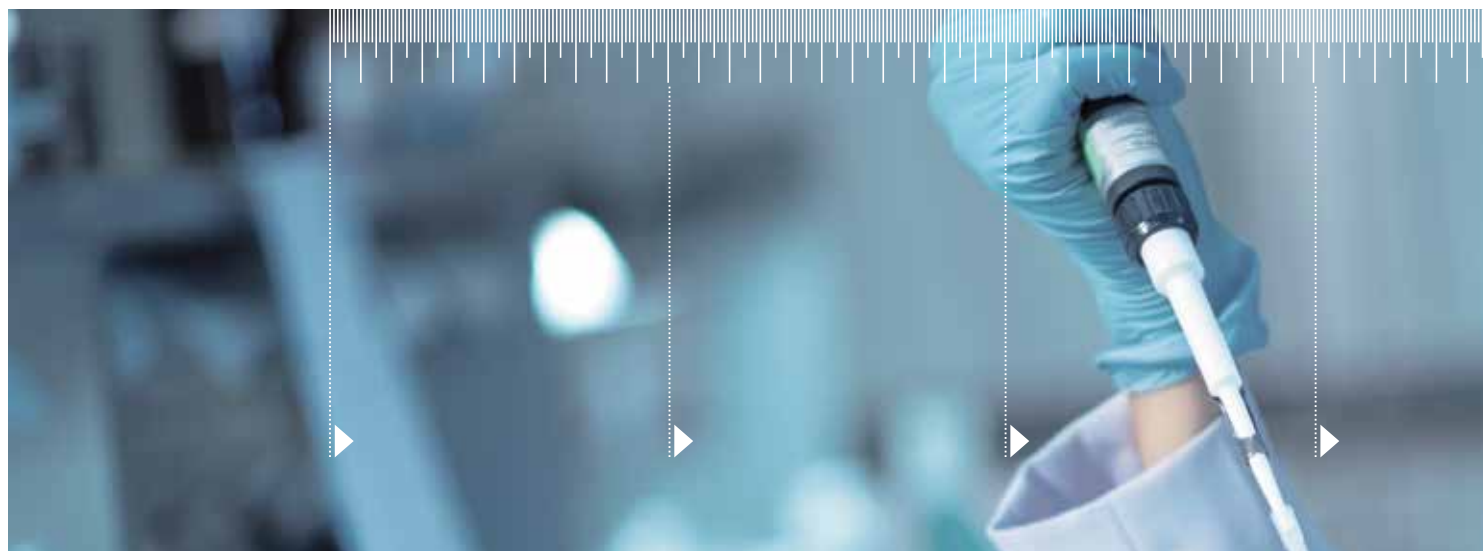
**Enhanced** Vitamin D3 capacities to enter export markets  
**Launched** dimethicone powder  
**Received** Kosher certification for Vitamin D3

2008

**Received** Halal certification for Vitamin D3

2009

**Launched** novel penicillin G acylase (NPGA) for beta lactam antibiotic synthesis (e.g. Amoxicillin)  
**Obtained** CEP certification for Vitamin D3 from EDQM  
**Started** exporting Vitamin D3



2011

**Completed** construction of the Dahej facility  
**Ventured** into animal feed and oil supplements of Vitamin D3  
**Applied** for Canadian DMF and US DMF

2012

**Successfully cleared** US FDA inspection for dietary supplements at Kullu  
**Commercialised** Novel Penicillin G Acylase (NPGA) Fermase PS 150 for major global customers  
**Launched** new and improved Penicillin G Acylase catalyst – Fermase PA 850  
**Augmented** Vitamin D3 resin manufacturing capacity in Dahej

2013

**Launched** CAL B Enzyme catalyst Fermase CAL B series (immobilised and free enzymatic forms)

2014

**Launched** Vitamin D3 100 CWD to cater to the food and dietary nutraceutical supplements market

2016

**Enhanced** Vitamin D3 capacity at its new plant at Dahej  
**Launched** new version of Vitamin D3 500 feed grade powder

2017

**Received** CEP from EDQM for its Dahej facility for Vitamin D  
**Received** FSSC 22000 and BRC food safety approvals for both its plants for Vitamin D

2018

**Received** the Board's approval for the amalgamation of Fermenta with its holding company, DIL Limited



Commercialised Novel Penicillin G Acylase (NPGA) Fermase PS 150 for major global customers.

Successfully cleared US FDA inspection for dietary supplements at Kullu  
Commercialised Novel Penicillin G Acylase (NPGA) Fermase PS 150 for major global customers  
Launched new and improved penicillin G acylase catalyst – Fermase PA 850  
Augmented the Vitamin D3 resin manufacturing capacity in Dahej



"We believe that a successful addressal of the needs of all our stakeholders represents the basis of our sustainability."

Sanjay Buch, Chairman, DIL Limited



Sanjay Buch, Chairman

"Given the philosophy to constantly Discover, Innovate and Leverage new ideas for sustainable growth, a comprehensive business and capital restructuring was undertaken by the Board for rewarding our shareholders by recommending 25% equity dividend for FY 2017-18. Additionally the Board, in the current year, approved the split/sub-division of shares to a face value of Rs. 5 each, along with the issue of bonus equity shares in the proportion of 1:1. The Board also approved the Scheme of Amalgamation between the Company and its subsidiary company Fermenta Biotech Limited, a subsidiary, on 21 June 2018, subject to necessary statutory approvals. With these important initiatives, it is the earnest belief of the Board that DIL will be onto a profitable and sustainable growth trajectory that caters to the needs of all its stakeholders."



#### Shareholders

The central aspiration of the Company is to be a distinctive game-changer in the areas of its presence. In doing so, we have consistently focused on scale and value-addition, derived through a prudent selection of business spaces, products, technologies and geographies, enhancing value for shareholders.





#### Customers

We provide our customers with globally benchmarked products at competitive prices, and customised services. Fermenta has reinforced this quality-quantity proposition translating into an overall price-value offering. The result is that Fermenta continues to engage with customers across geographies for decades.



#### Employees

We provide an inspiring workplace to all our employees across various locations. We believe in providing equal employment and growth opportunities. This diverse and participative environment has not only resulted in a low attrition rate, but also has reflected in superior productivity, strengthening overall profitability.



#### Community

We have been progressively investing in environment-protecting equipment and technologies benchmarked as per global standards. Besides, we invested in processes, practices and protocols woven around safety and responsibility. The result is that our operations are safe for the environment and neighbouring communities.



#### Social responsibility

Aligning with our corporate social responsibility objectives, we have been committed to the cause of social responsibility for years. We have invested in various initiatives that empower the visually-impaired and special children. We have contributed to education, rural development and environmental sustainability. These engagements are in conformity with our vision i.e., sustainable growth of communities at large.



We provide an inspiring workplace to all our employees across various locations.

The central aspiration of the Company is to be a distinctive game-changer in the areas of its presence.





Krishna Datla, Managing Director

“Following a record year, the objective of your company is to build sustainable long-term growth and be future-prepared.”

DIL focuses on the business of renting properties and a strategic investment in its subsidiary Fermenta, which is engaged in manufacturing and marketing APIs.

DIL's income on a consolidated basis for the year under review grew by 86% to Rs. 31,192.42 lakhs. Against a net loss of Rs. 1,142.42 lakhs in the previous financial year 2016-17, the net profit for the FY2017-18 stood at Rs. 3,568.75 lakhs. On a standalone basis, DIL's total income for the year under review stood at Rs. 1,288.82 lakhs (previous year: Rs. 596.48 lakhs), whereas the net loss for FY2017-18 aggregated Rs. 2,415.47 lakhs as against a net loss of Rs. 1,830.19 lakhs in the previous year. Continuing with the principle of rewarding shareholders, your Directors are pleased to recommend a dividend of Rs. 1.25 per equity share of Rs. 5 each (previous year: Rs. 2.50 per equity share of Rs. 10 each) for FY2017-18 on 91,72,792 equity shares of Rs. 5 each (i.e. post issue of split and bonus shares). Based on the recommendations of your Directors, the



members of the Company, on July 26, 2018, approved the split/sub-division of shares of the Company from face value of Rs. 10 each to face value of Rs. 5 each and issue of bonus equity shares in the proportion of 1:1 i.e. one new fully paid-up equity share of Rs. 5 each for every one existing fully paid-up equity share of Rs. 5 each held by the members. In addition to the above, your Directors in a meeting held on June 21, 2018 approved the Scheme of Amalgamation between the Company and its subsidiary company Fermenta Biotech Limited subject to necessary statutory approvals.

Fermenta put up an exemplary performance in 2017-18, the best in the Company's existence. Fermenta reported profitable growth: revenues increased by 84% from Rs. 163 crore in 2016-17 to Rs. 300 crore in 2017-18, profit after tax strengthened by 620% from Rs. 10 crore in 2016-17 to Rs. 72 crore in 2017-18.

#### Reasons for improvement

During the last few months, a number of observers have asked me for the reasons behind Fermenta's outperformance. My answer

has been that even as the improvement in performance became visible during the course of the last financial year, the foundation had been patiently laid across the years. During the past few years, Fermenta had invested extensively in strengthening its business across the range of its operations and invested in capacity building across different market cycles as well.

It invested in cutting-edge technologies to enhance operating efficiency that reflected in higher product quality and lower costs.

It widened the product mix to address the growing needs of customers.

It trained its people extensively to shrink the gestation between commercial operations and stabilisation.

It widened its presence across a larger number of global markets to reduce its excessive dependence across a handful.

It strengthened compliances that enhanced assuredness of supply, quality and process integrity.

It addressed the growing need for our products across a wider range of downstream sectors, helping de-risk our sales profile.

It invested in CRM modules that enhanced informed decision-making; it also invested in a pan-company SAP-enabled ERP encompassing various operational areas including quality assurance and manufacturing. This extended Fermenta's focus to an outward market-driven perspective that enhanced the scale of its product and customer-orientation.

In doing so, Fermenta emerged future-ready: the right place at the right time with the right business complement. The result is that during the year under review, when feed grade Vitamin D3 realisations strengthened appreciably, Fermenta reported a handsome increase in turnover and profits, validating its business strategy and direction.

#### Review of businesses

The Vitamin D3 business posted 115 % revenue growth during the year under review. We achieved this by focusing on operational excellence, leveraging synergies and ramping up production. In the Phenylamidol segment, Fermenta's performance continued to be stable due to strong customer relationships, enduring commitments

#### Rationale for the amalgamation of Fermenta with DIL

- Value-accretive to the shareholders of DIL and access to the core business of Fermenta.
- Cost savings due to more focused operational efforts, simplification of business processes, and elimination of duplication of operations and regulatory compliance.
- Wider integration, greater financial strength and enhanced operational efficiency through stronger economies-of-scale, optimal resource utilisation, superior financials and the ability to mobilise additional resources.
- Improved organisational capability and leadership, arising from the pooling of human capital.
- Combined entities could lead to the efficient use of funds in growth opportunities and maximise shareholder value.



### Global presence

- Growing number of multi-year accounts
- Among the world's largest Vitamin D3 makers and leading Phenyramidol manufacturer
- Among the few non-European companies with a CEP accreditation by EQDM for Vitamin D3

and relevant management initiatives. The environment business reported reasonable growth due to a focus on opportunities from the private sector in the operations and maintenance segment. The biotechnology business maintained its customer base despite increased Chinese competition. From a manufacturing perspective, the management was pleased with the performance during the year under review. Fermenta reported record API output in the Kullu and Dahej facilities; it worked closer with users in the food products and animal feed segments and plugged products/services gaps. It reported a year-end order book that has enhanced revenue visibility going ahead.

### The road ahead

At Fermenta, we are aware that in a volatile world achieving an improvement in

realisations could be complex and challenging. The objective within the circumstances would be to strengthen our business de-risking, limit our downside if realisations decline and maximise our upside if realisations stabilise or improve. DIL and Fermenta embarked on a number of relevant business-strengthening initiatives during the year under review.

**One**, your Company selected to buy out a private equity investor's 21.05% stake in Fermenta. The funds had been provided when your Company needed growth. Following Fermenta's outperformance and the creation of a robust financial foundation, the purchase of equity will consolidate ownership and facilitate the timely amalgamation.

**Two**, the proposed amalgamation of Fermenta into its parent company DIL Limited. The proposed amalgamation

would be business-strengthening as DIL owns extensive monetisable assets while Fermenta has entered a growth phase where it would need to continuously reinvest in its business, resulting in a win-win proposition

**Three**, Fermenta intends to engage in vertical and horizontal expansion. The vertical expansion will make it possible to scale capacity that empowers us to address the growing needs of a wider customer basket, while increasing revenues from customers. The horizontal expansion will make it possible for Fermenta to engage in collaborations and extend into a range of value-added nutrition supplements – vitamins, supplements, pro-biotics and others – growing in importance in today's world. In doing so, Fermenta intends to exploit this optimism by building a



### Operating platform

The Company's belief in the depth of its operating platform increases its confidence that the business is better equipped to address marketplace dynamics, enhancing long-term value-creation.



portfolio around vitamins, minerals and supplements, strengthening its positioning as a manufacturer of a wide range of ingredients used for various applications in human and animal nutrition. Fermenta plans to explore the nutrition space, currently experiencing a surge in demand, by expanding its offerings in the nutraceutical sector. It intends to capitalise on the global trends in nutrition and consumer preference for higher nutritional contents in food. We believe that these initiatives will help reinforce our business foundation around revenue growth, superior profitability and business sustainability.

#### Outlook

The outlook at Fermenta is optimistic, derived from downstream realities where growing Vitamin D3 co-prescription and widening applications (tablets, capsules

and syrups) are expected to widen the market. We believe that there will be enhanced emphasis on food fortification by governments across the world, opening multiple opportunities for us. Fermenta possesses knowledge across the research, manufacturing and marketing functions to address emerging opportunities - that should translate into profitable and sustainable growth. The downstream businesses are performing well and enjoying Vitamin D leadership across application segments like pharmaceuticals, dietary and nutritional supplements, food, feed and veterinary science.

Our objective is to build sustainable long-term revenues and be future-prepared. At Fermenta, our performance ambition is to emerge as one of the most respected companies within the global

industry space. Going ahead, we shall continue to focus on becoming the most reputed Vitamin D player in the world, further extending our product range and adhering to best-in-class practices to consistently improve yields and process efficiencies.

I must assure shareholders that the performance of Fermenta during the last financial year will not make us complacent; on the contrary, the performance will only reinforce our commitment, strengthening our business-building initiatives.

Krishna Datla  
Managing Director



#### Group priorities

- Business restructuring to achieve operational efficiency
- Enhanced concentration on nutritive healthcare, biopharmaceuticals and environmental solutions
- Divestment from non-core businesses like entertainment, wellness and others

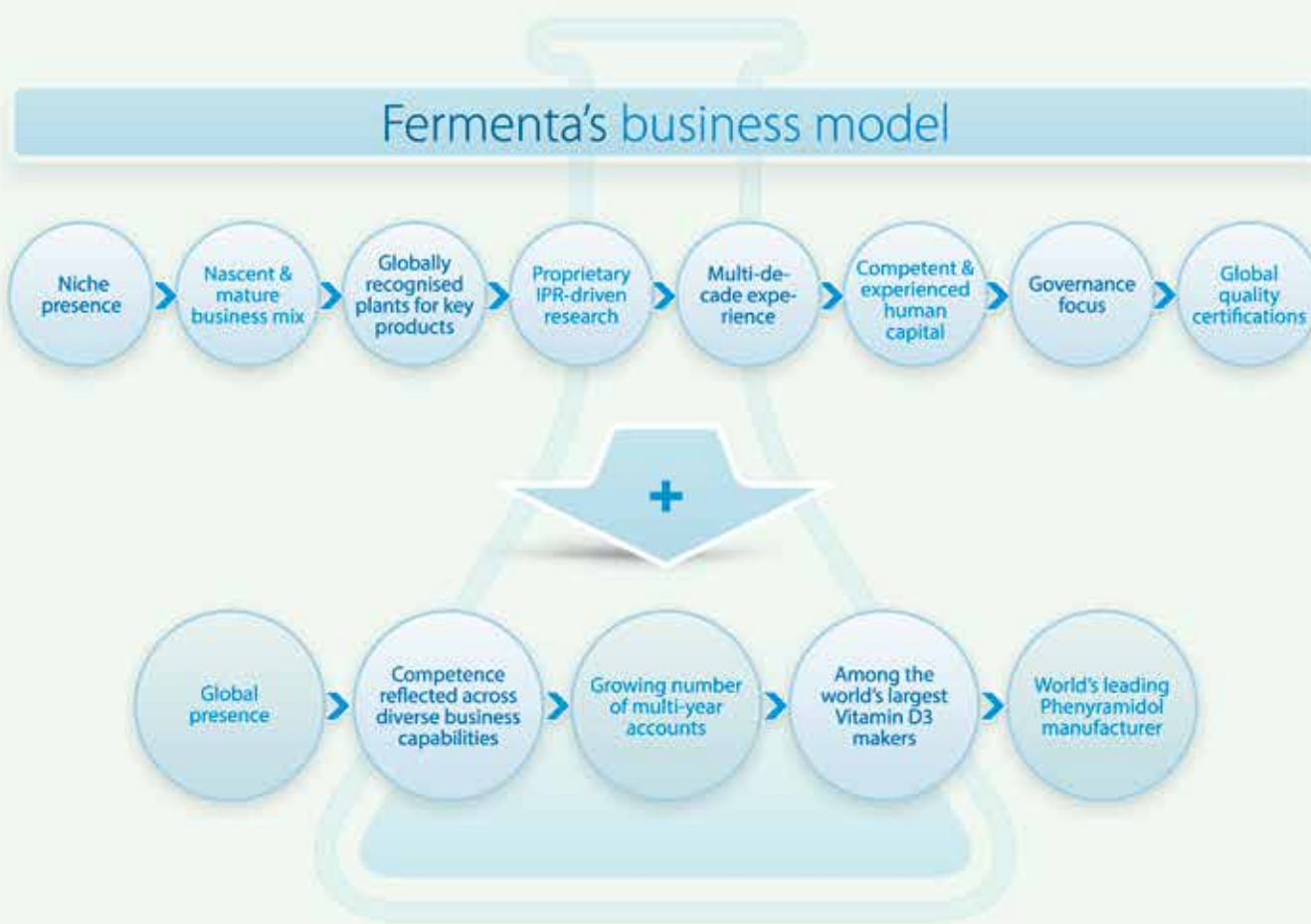


#### Quality assurance

- Implementation of quality systems and release of all manufactured products
- Audits including regulatory (domestic and international), customer and cGMP

# Fermenta has consistently invested in enhancing competitiveness

- **Intellectual property:** Fermenta's rich experience in complex technologies translated into the development of improved products and processes.
- **Human capital:** Fermenta's team comprises 136 professionals with a demonstrated competence in manufacturing, chemistry, biotechnology, marketing planning, accounting, legal, management, supply chain and quality management.
- **Distinctive identity:** Fermenta is one of select non-European companies with a CEP accreditation issued by the EDQM for Vitamin D3 across both manufacturing facilities. It also possesses food safety approvals for the US market.



# Biotechnology



## Overview

Fermenta delivers proprietary specialised technologies through its enzyme portfolio across the biopharmaceutical product life-cycle. These services are offered across the complete life-cycle – pre-clinical stage to commercialisation – enhancing project ownership, quality and customer convenience.

Over the years, Fermenta invested in proprietary enzymatic technologies with growing potential in the production of beta lactam antibiotics like Amoxicillin, Ampicillin, Cephalixin and Cefadroxil. Fermenta is a dependable technology-driven partner, enjoying customer trust irrespective of project size, phase and complexity. It has developed and manufactured enzymes (Fermase PS 250, Penicillin G

Acylase) used in manufacturing processes of various antibiotics. Fermenta is a pioneering developer of immobilised enzyme catalysts which has transformed the way the antibiotics are manufactured. Fermenta's enzyme technologies enable new and eco-friendly manufacturing practices, addressing sectors comprising the pharmaceutical industry, fine chemicals, bioplastics and cosmetics, to mention a few.

### Strengths

- **Cutting-edge:** Fermenta implemented next-generation automation; it offered complete technical support and expanded its enzymatic technology presence.
- **Innovative:** Fermenta possesses the ability to identify, express, gene-modify and enzyme-evolve, improve processes and create bio-organic applications that substitute long-standing chemical reactions.
- **Responsive:** Fermenta's business support and R&D teams address customer needs with speed.

- **Competence:** Fermenta is benchmarked with high proprietary standards (norms, quality, productivity and consistency); its domain knowledge extends from product development, to stabilisation and commercialisation, enhancing process robustness.

- **Compliance:** Fermenta complies with various international regulatory norms, covering applications for novel products and processes across countries.

- **Distinctive:** Fermenta is among a handful of global companies producing next-generation enzymes, leveraging patented processes and immobilisation materials.

- **Unique:** Fermenta's enzyme technologies for the synthesis of beta lactams and cephalosporin antibiotics offer unique advantages, which are not only scalable but also enable competitive transformation.

- **Flagship:** Fermenta's flagship enzyme products range from the classical 'white enzyme', Penicillin G Amidase (PA 850)

to the more advanced enzyme variants like Novel Penicillin G Amidase (PS 250) and CALB Lipase (CALB10000).

- **Service-oriented:** Fermenta offers enzyme immobilisation optimisation and supply services of various scale up to multi-tonne commercial quantities.

### Outlook

The business support function for enzyme products is largely business-to-business, integrated with technical support around enzyme performance and other regulatory requirements. Fermenta strengthened its customer service, technical capabilities and support functions. The Biotechnology R&D team will continue to focus on streamlining and simplifying chemical and chemo-enzymatic processes with high technology saturation - from beta lactams to cephalosporins as well as other industrial biocatalysis areas, strengthening productivity and value.



## Pharmaceuticals & Vitamin D3

# 277

Revenue (Rs. crore)  
in 2017-18 against  
Rs. 151 crore in  
2016-17

# 97%

Contribution to  
total revenues in  
2017-18 against  
96% in 2016-17



### Phenylramidol and Silicon dioxide

#### Phenylramidol

**HCl: Phenylramidol Hydrochloride** is a unique API, a potent muscle relaxant with analgesic effect, extensively marketed by popular brands.

The manufacture of silicon powder (activated dimethicone powder) was a conscious effort by Fermenta to offer a product that could replace dimethicone oil in anti-flatulent oral formulations. The Company

derived 13% of its topline from this business, one of FBL's main revenue drivers. Fermenta is respected for its ability to optimise synthetic routes for pharmaceutical compounds. The overall consumption remained stable during the year under review.

#### Strengths

- **Leading:** Fermenta is the leading Phenylramidol supplier in the world.
- **Quality-conscious:** Fermenta is respected for compliance with GMP norms that translate into enhanced quality and consistency (products,

processes and services).

- **Growth-oriented:** Fermenta continues to manufacture Phenylramidol and Silicon powder at higher purity levels. It pioneered reviving Phenylramidol hydrochloride as an API, successfully marketed in Turkey.

#### Outlook

The market for Phenylramidol indicates promising opportunities in view of a steady rise in the incidence of low back pain, neck and shoulder pain mainly due to the excessive time spent on electronic devices, compromising postures and seating habits. Fermenta's business is optimistic of relevance and prospects.

## Vitamin D3



Fermenta has been manufacturing this product for five decades, supplying to 300-plus customers globally.

Fermenta's variants comprise pharmaceuticals, dietary and nutrition supplements, veterinary and feed supplements. A majority of Fermenta's topline is generated by this business. Its Vitamin D3 business grew significantly in FY2017-18.

### Exports

The Vitamin D market witnessed a significant growth in the pharmaceutical, dietary and nutritional supplements, food, veterinary and feed applications. The food safety approvals received by Fermenta's facilities helped make inroads in the large and relatively untapped global food premix market.

### Domestic

Vitamin D3 formulation was included in the National List of Essential Medicines; subsequently its price was capped through the Drug Price Control Order. This led to the emergence of challenges with respect to market growth. The concept of food fortification gained momentum with Fermenta entering the domain.

### Strengths

**Pioneering:** Fermenta pioneered the use of proprietary technology to manufacture Vitamin D3 in India.

**Knowledgeable:** Fermenta has been manufacturing Vitamin D3 for over 50 years with a base of >300 customers.

**Well-sized:** Fermenta is among the world's three leading Vitamin D3 producers.

**Natural:** The cholesterol consumed by Fermenta is obtained from sheep wool derived from TSE/BSE risk-free countries

**One-stop-shop:** Fermenta manufactures Vitamin D3 for various applications (human and animal healthcare).

**Standardised:** Fermenta's manufacturing facilities (Kullu and Dahej) are benchmarked with the best global standards, backed by dedicated professionals and accreditations from a large number of global regulatory agencies.

### Highlights, 2017-18

- Widened sales and marketing footprint of Vitamin D3 across geographies.
- Introduced offerings in the highly-competitive food pre-mixing segment in regulated markets.
- Sent a letter of intent to leading pharmaceutical manufacturers in the EU.
- Consolidated its base in the MENA and CIS regions.

### Outlook

Fermenta has laid emphasis on growing the export markets for feed grade products, dietary and nutritional supplements. It plans to create a robust portfolio comprising value-added vitamins, minerals and nutrition segments. The outlook of the business is positive in the light of a growing focus on the food fortification segment.



## Marketing

At the start of 2017-18, even as global realisations for value-added Vitamin D3 variants were at historical lows, Fermenta secured business from existing and new clients.

Fermenta took steps to increase awareness, channelising the medical fraternity's focus on Vitamin D3. It participated in celebrity endorsements for Vitamin D awareness, increasing its digital footprint through various social awareness initiatives. It leveraged the following strengths: consistent volume growth due to diligent

business development activities, strong relationships that empowered Fermenta to emerge as a 'preferred supplier', as well as efficient real-time MIS reporting and coordination between cross-functional teams. The business is equipped to address growing Vitamin D demand from new customers, regions and segments. The

ongoing engagement with distributor sales teams helped increase customer conversion.

## Manufacturing



### Strengths

Fermenta possesses robust manufacturing capabilities, reflected in its audit-preparedness, ability to address year-on-year production targets, manufacture of world-class products through globally validated plants and processes. Its manufacturing

efficiency was reflected in cost optimisation and increased viability.

### Highlights, 2017-18

#### Dahej

- Achieved production targets, moderated costs, maintained environment integrity as well as employee and asset safety

- Cleared global regulatory and customer audits.
- Strengthened safety through advanced fire-fighting responsive measures.

#### Kullu

- Achieved 100% capacity utilisation for all key products.
- Eliminated potential safety hazards through enhanced

engineering controls.

- Cleared domestic and international audits.
- Strengthened GMP standards through process improvements and outlook.
- Sought improvements to enhance yields and reduce costs.

## Supply chain management

The principal challenges comprised addressal of the complexities of various countries in line with ongoing changes. The implementation of GST from July 2017 warranted

a change in distribution and documentation procedures. Besides, Fermenta also undertook the implementation of SAP. A major highlight comprised managing the

vendor ecosystem along with timely global products delivery. With respect to the Vitamin D3 business, Fermenta focused on timely adaptation and product distribution. Operational

efficiencies in planning, procurement and logistics were seamlessly orchestrated.

## How does Vitamin D deficiency affect the human body?

**Increased risk of depression:** A study in the American Journal of Geriatric Psychiatry found that people with lower levels of Vitamin D are 10 times more likely to be depressed than those enjoying a healthy dose of the 'sunshine vitamin'.

**Increased tendency of weight gain:** A study published in the journal *Diabetes* found that exposure to UV rays can slow weight gain.

**Increased risk of heart disease:** As per a study by the Harvard School of Public Health, men with Vitamin D deficiencies were twice as likely to develop a heart condition.

**Muscle pain and fatigue:** What might be mistaken as arthritis or fibromyalgia in adults could actually be a Vitamin D deficiency.

**Insomnia:** If we skip on the sun's rays by staying indoors,

we can throw off our circadian rhythm (our body's internal clock), which could trigger insomnia.

**Excessive sweating:** Excessive sweating on our forehead, especially if we are not exercising or overheated, is one of the classic signs that we are not getting enough Vitamin D.

**Increased risk of multiple sclerosis:** Scientists have noted that exposure to sunlight

in childhood appears to dramatically reduce the risk of developing multiple sclerosis.

**Cavities:** A dental study found that the prevalence of cavities was greater in children residing in areas with less than average sunshine.

(Source: *Reader's Digest, The Mirror*)

## Growing demand for Vitamin D fortification across the world

- In Finland, milk and non-dairy alternatives such as soya and rice/oat drinks are fortified with 1 µg/100 g fluid milk and 20 µg/100 g fat spreads.

- In Sweden, a daily supplementation of 10 µg of Vitamin D is recommended for all children aged 0–2 years. This is fully subsidised by the government and provided via child welfare centres.

- There are guidelines in Germany, Austria and Switzerland (German Nutrition Society 2012) for the administration of Vitamin D supplements to infants from the first week of life to the end of their first year, which should be continued in the second year during the winter months.

- Studies have found low Vitamin D levels in Asian

women in the UK - particularly among those who cover most of their skin for cultural reasons.

- Recent studies have revealed that 65-70% of Indians are Vitamin D-deficient and another 15% are Vitamin D-insufficient.

- Results from a clinical review find ~1 billion people worldwide may have deficient or insufficient levels of Vitamin

D due to chronic disease and inadequate sun exposure related to sunscreen use.

- The new advice from Public Health England is that adults and children over the age of one should consider taking a daily supplement containing 10 µg of Vitamin D, particularly during autumn and winter.

(Source: *National Institute of Health, Daily Mail*)

## Countering Vitamin D3 deficiency

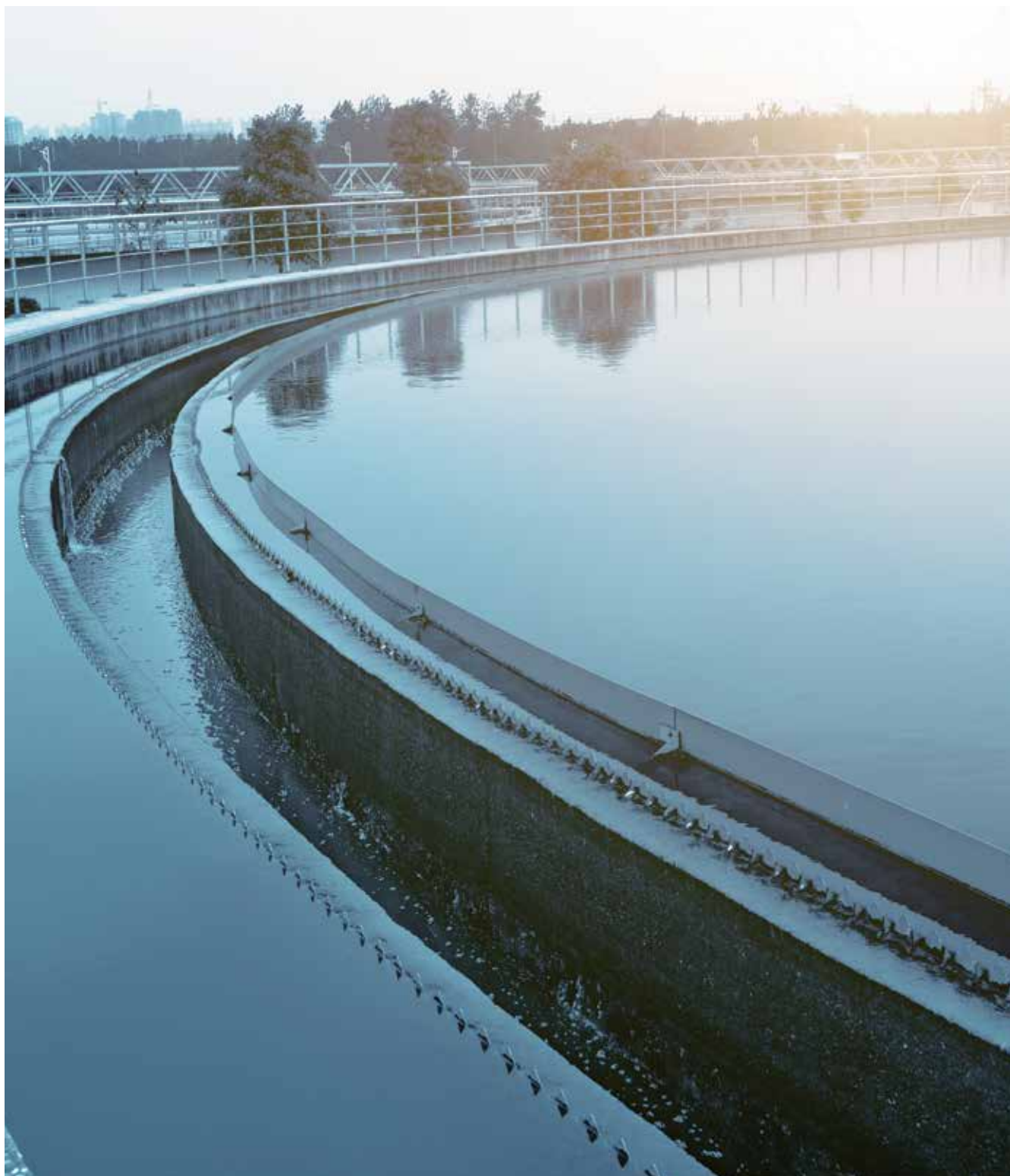
Guidelines from the Institute of Medicine increased the recommended dietary allowance of Vitamin D to 600 IU for everyone aged between 1-70 years, and raised it to 800 IU for adults older than

70 to optimise bone health. The safe upper limit was also raised to 4,000 IU. Doctors may prescribe >4,000 IU to correct a Vitamin D deficiency. (Source: *WEBMD*)

### Quality

- Responsible for the implementation of quality systems and release of all manufactured products, as well as audits including regulatory (national and international), customer and cGMP
- Providing integrated solutions, processes and products for biotech and APIs
- Regulatory affairs ensures compliance with global regulatory requirements

## Environmental solutions



## Overview

Fermenta, a pioneer in enzyme solutions, offers integrated biotech solutions that address environmental issues.

The environmental solutions business addresses various national priorities viz., waste water and solid waste management, bio-remediation and fly ash management.

It addresses this opportunity through a blend of biotechnology and engineering solutions for industrial clients and government bodies - sewage treatment, effluent treatment, biogas enhancement, press mud composting, municipal solid waste composting and oil sludge treatment.

The environment solutions revenues grew 43% in FY2017-

18 to Rs. 1.8 crore following a 12% volume increase in Fermsept sales during the year in addition to revenues derived from the operation and maintenance of sewage treatment plants.

Fermenta offers integrated biotech solutions in the field of environment. Our special micro-organisms, enzymes and platform technologies provide unique advantages in waste water treatment and management.

Fermenta's products span a range of applications, from treating private and municipal Sewage Treatment Plant (STP) to industrial Effluent Treatment Plant (ETP), from treating septic tanks to solid waste management and bio-remediation of oil sludge to lake / pond bio-remediation.

Our proprietary product,

Fermsept® S was successfully demonstrated in the municipal STP to enable better plant performance, lower power input, better quality treated water and reduced capex/opex, among others. Moreover, it entered into operations and maintenance of STPs. Fermenta also made inroads through its collaboration with KLARO, a leading German manufacturer of STPs.

## Strengths

**Eco-friendly:** Fermenta's Fermsept is an environment-friendlier alternative over existing solutions.

**Integrated:** Fermenta's knowledge of wastewater treatment addresses design, monitoring, planning and managing projects.

**Competent:** Fermenta executes environmental

projects of varying magnitudes across wastewater, solid waste, hazardous waste management and lake water remediation.

**Validated:** Fermenta's proprietary product Fermsept®S has proved successful in municipal STP applications, translating into superior plant performance, lower power consumption and reduced expenditure.

**One-stop:** Fermenta is capable of designing, monitoring, planning and managing projects. The business combines technical know-how, chemical engineers and environment scientists – an end-to-end solution (bio-remediation and engineering).

**Quality-conscious:** The team provides assured outlet quality that can be re-used for non-potable functions.

## Integrated biotech solutions

### Overview

Fermsept® has been a game changer in the municipal STP, which in turn has led to a better plant performance and a better treated water quality.

### Highlights, FY2017-18

- The business altered its strategy, focusing on non-

government institutions (privately owned) for the sale of Fermsept®, annual maintenance contracts of wastewater treatment plants and OEMs. The change was influenced by a defined decision-making mechanism among the new customers and multiple opportunities within

the same customers

- The business was awarded its first annual maintenance contract, which comprised supply of Fermsept and manpower to provide treated water quality as per pollution control board norms.
- The business received its first order from a renowned

developer for the design, supply, erection and commissioning of a packaged sewage treatment plant of 20-kilolitres per day capacity based on state-of-the-art technology.



# Human resource management, FY2017-18



The Company enjoys cordial relation with its employees across all locations. Statutory disclosures pertaining to human resources are covered in other parts of this report.

#### Talent acquisition

- Fermenta inducted 88 professionals in the areas of finance, manufacturing, quality, procurement, research and environment management across locations.
- The Dahej facility expanded operations with 55 new recruits.
- Fermenta accessed professional networking sites to head-hunt talent.

#### Organisation development

- Fermenta continued personal profile analysis and human job analysis using behaviour assessment tools (from Thomas International), enhancing competence mapping.

- The operational excellence focus was strengthened through collaboration with a leading compliance training organisation to provide online technical training on cGMP and global pharma practices for three years (~500 training sessions completed in the last financial year).

- Team members were nominated for various technical conferences to enhance technical skills.
- Employees were nominated for additional certification programmes through reputed institutes.
- Sessions on achievement motivation were conducted across manufacturing locations.

#### Employee engagement and benefits

- Conducted children's programmes.
- Organised the annual sports event.
- Celebrated major festivals across locations.
- Arranged annual get-togethers at manufacturing

facilities.

- Offered group insurance benefits with enhanced features to employees.

#### Performance appraisal

- Conducted compensation surveys with leading consulting companies, which helped the organisation study compensation and benefit trends.
- Conducted performance reviews coupled with revisions in compensation and job responsibilities.

#### Attrition management

- Rationalised attrition to lower than the industry standards.
- Increased overall retention by 200 bps across locations by taking measures like compensation reward programmes, role enhancements and additional certification programmes, among others.

#### Outlook, 2018-19

- Fermenta introduced SAP Success Factors, which is considered as a benchmark in

the domain of performance management. This was implemented across all locations and will eventually help link individual goals to the organisational objective. Looking ahead, Fermenta intends to automate the employee database and performance management systems.

Fermenta inducted 88 professionals in the areas of finance, manufacturing, quality, procurement, research and environment management across locations.

# Management discussion and analysis



## Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the

previous year. Crude oil prices increased in 2017, with a price of USD 54.13 per barrel at the beginning of the year, declining to a low of USD 46.78 per barrel in June 2017 and closing the year at USD 61.02 per barrel, the highest since 2013.

### Review of key national economies

**The US:** The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in

2016) catalysed by the spillover arising out of government spending by the previous administration coupled with USD 1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2 in 2017 despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

**Eurozone:** This region experienced the upside

arising out of cheap money provided by the central bank. In 2017, eurozone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Eurozone economies and sectors. Unemployment declined to 8.8% in October 2017, the lowest since January 2009. (Source: WEO January 2018, Focus Economics)

**China:** The Chinese economy grew faster than expected in

## Global economic growth for six years

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. This helped China celebrate its first annual growth in seven years. For the full year, China's growth is estimated at 6.9% which is its highest economic growth since 2010. This growth easily beat the government estimates of 6.5% and the nation's slowest growth of 6.7% in 2016 (weakest pace in 26 years). Private firm investments rose grew at 6% in 2017 from 3.2% in 2016, a sign that private sector outlook is improving. Disposable income growth picked up to 7.3% in 2017 from 6.3% in 2016. Consumption should outpace investment and demand for services could remain strong (52% of economic output). China's exports rose 6.9% from the previous year to USD 188.98 billion in October 2017. In 2018, China's growth is projected at 6.6%. (Source: WEO, NBS)

**Emerging Asia:** Emerging Asia GDP is estimated at 6.5% in 2017. The region is being transformed by technologies and Internet, strengthening the digital economy. Cambodia,

Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by infrastructure spending and stable economies.

**GCC:** Being highly oil dependent economies, GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. The GDP growth across the region remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economic activities. Regional growth is projected to increase steadily after 2017, to 3% in 2018 and 3.2% by 2020, following acceleration among oil exporters and importers, moderated geopolitical tension and rise in oil prices. (Source: World Bank)

**Russia:** The economy appeared to have exited a two-year recession that, thanks to the authorities' effective policy response and existence of

robust buffers, proved shallower than past downturns. In 2017, Russia was estimated to grow 1.9% following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)

**Brazil:** In 2017, Brazil grew at 1.1% following a deceleration of 3.5% in 2016. The recovery in the GDP was boosted mainly by the agricultural sector which grew by 13%. The services sector also registered a growth of 1.8%. According to the Brazilian Institute of Geography and Statistics (IBGE), a decline in inflation (inflation was 3.5% in 2017 as compared to 8.7% in 2016) also significantly contributed to the economic growth. According to IMF predictions, the nation is expected to clock a growth of 1.9% in 2018. In the next fiscal, manageable inflation and improvements in labour conditions are expected to boost consumer spending. There are also expectations of monetary easing and rising business confidence, which could revive fixed investments. (Source: Focus Economics, Rio Times)

## Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF).

## Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth

## FY2017-18 Versus FY 2016-17

	2017-18	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

(Source: Press Information Bureau)



for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio. The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to USD 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

### Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong

private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

### Global pharmaceutical sector overview

The global prescription drug market grew by 0.8% in 2017 vis-à-vis 2016 due to the depreciation of the USD against other currencies, especially Asian ones. The US is the largest pharmaceutical market in the world valued at USD 339,694

million followed by Japan (USD 94,025 million) and China (USD 86,774 million). North America, Europe and Japan jointly accounted for 82% of audited and unaudited drug sales. The annual growth in European Union slowed to 5.8%, 2.1% in Japan and 1.4% in North America. Impending policy changes, promoting the use of generics in these key markets are expected to affect revenues and profits of global pharmaceutical majors. (Source: PwC, World Atlas, Investing News)

### Demand drivers

#### ● Impact of globalisation:

Competition is global and emerging markets all are disrupting the industry. Government regulations (taxation, trade, approvals, market access and pricing) are rising.

#### ● Changing definitions of value and price:

There is an increasing pressure to lower drug prices and seeking non-traditional ways of serving patients (education, support and self-administration).

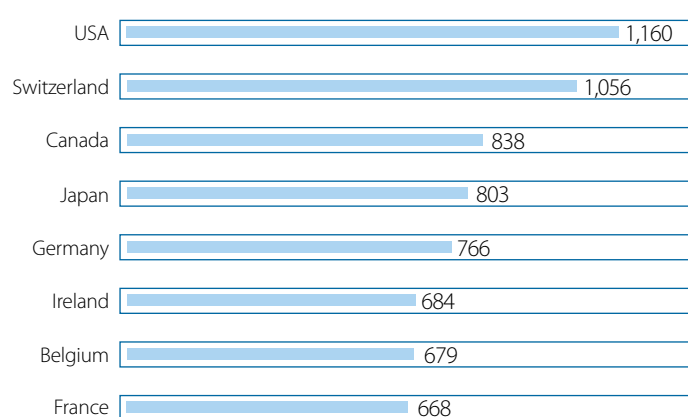
#### ● Rise in consumer accountability and power:

Patients are likely to control most of the power due to the growing impact of omni-channel communication between consumers and organisations. (Source: Appian, Gartner)

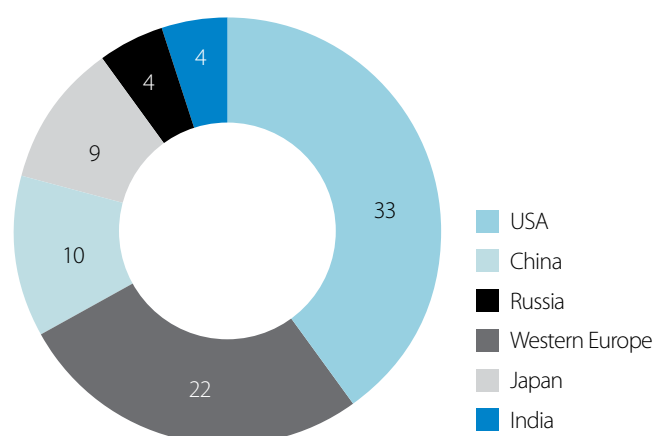
### Outlook

The global pharmaceuticals market could reach USD 1.12 trillion in 2022, growing at CAGR of 6.3% till 2022. Prescription sales excluding generics will reach USD 1.006 trillion by then. This growth could come from market expansion in pharmerging countries and ageing populations in developed countries. Global brand spending is forecast to increase to ~USD 832 billion by 2021 while global generic spending is expected to increase to ~USD 505 billion by 2021. (Source: Evaluate Group, Pharmaceutical Commerce, Quintiles-IMS Institute, IFPMA, Euler Hermes)

Pharmaceutical spending per capita (USD)



Share of pharmaceutical revenues (%)



## The Indian pharmaceutical industry overview



India's pharmaceutical sector is one of the most attractive proxies of national competitiveness. Over the last two decades, the sector has transformed an overhang of reverse engineering to patent-respecting processes, enhanced volumes to address global appetite, manufactured generic products at one of the lowest costs and enhanced quality in line with the best global standards (audited by demanding regulatory agencies).

The growth is reflected in the numbers: India retained its position as the largest-global provider of generic, accounting for 20% of global generic exports by volume. The industry is growing at ~10% y-o-y in a largely volume-led environment. The country accounts for a ~30% (by volume) and a ~10% (value) share of the ~USD 80 billion US generics market. (Source: IBEF) The country's pharmaceutical

sector revenues grew from USD 27.57 billion in 2016 to USD 29.61 billion in 2017. India's pharma exports during FY2018 (April 2017 – February 2018) were valued at USD 11.90 billion. During February 2018, major commodity groups of export showed positive growth over the corresponding month of the previous year, which included organic and inorganic chemicals (30.41%) and drugs and pharmaceuticals (13.92%).

Domestic pharmaceutical companies received more than 300 approvals by USFDA in 2017 to launch generic drugs in the US, which is an all-time high, which is among the highest number across any country. Indian companies received 304 ANDA approvals from USFDA in 2017, strengthening their ability to service some of the most demanding global markets.

### Demand drivers

- **Rising population:** 1.5 million people are added every year

to India's population and it is estimated that India will become the most populous country by 2022. Consequently, the patient pool is expected to increase at a rate of 20% over the next decade.

- **Governmental impetus:**

Over 650 million people are expected to be covered by health insurance by 2020. Central Government-sponsored programmes provided health benefits to >380 million BPL people during 2017.

- **Medical tourism:** Serving >300,000 international patients annually, India's medical travel industry is growing at 25%. India welcomes most of its medical travellers from Bangladesh, the Turkic States, the Middle East and East Africa even as those from developed countries are also rising.

- **Rising incomes:** Increase in incomes could drive 73 million households to the middle-class over the next decade, accompanied by an increase in

unhealthy lifestyles.

- **Chronic diseases:**

Cardiovascular diseases (coronary heart disease, stroke, and hypertension) contribute to 45% of all non-communicable disease-related deaths in India, followed by chronic respiratory diseases (22%), cancer (12%) and diabetes (3%).

- **Health care sector:** Over 160,000 hospital beds expected to be added each year across the next decade; the hospital market size is expected to increase by USD 200 billion by 2024.

- **Generic drugs:** India's generic drugs account for 20% of global exports in terms of volume, making it the largest provider of generic medicines globally. The generics drug market accounts for ~70% of the Indian pharmaceutical industry and is expected to reach USD 279 billion by 2020.

(Source: Financial Express, Economic Survey, Livemint, IBEF, WHO)

## Challenges and concerns

- **R&D investments:** One of the biggest constraints to advancing scientific research is the lack of sufficient funding and inadequate allocations by the Central Government towards R&D.

- **Inadequate infrastructure:** Revamping of infrastructure in terms of cold chains and advanced labs for drugs testing and development is acutely needed for APIs and formulations to compete at the same scale as China and Israel.

- **Healthcare expenditures:** Low medical and healthcare expenditure in rural areas despite specific projects (NRHM, DOTS, NSAIDS and Pulse Polio) has limited the growth of the domestic market.

- **Regulatory frameworks:** Biosimilars are regulated under the provisions of Environment Protection Act of 1970 and the Drugs and Cosmetics Act of 1940. A similar situation

exists in the case of fixed drug combinations as well. The Drug Technical Advisory Board under the Drug Controller General of India needs to deploy representatives so as to ensure that these concerns are addressed speedily and unambiguously.

- **Labour arbitrage:** Rapidly increasing costs of skilled manpower (scientists, regulatory compliance personnel, lawyers and international business development personnel) are increasing the cost of innovation leading to a decline in the labour arbitrage opportunity compared to emerging countries.

## Outlook

The Indian pharmaceutical industry is expected to grow from USD 29.61 billion in 2016-17 to USD 55 billion by 2020. The domestic generic drug market is expected to reach USD 27.9 billion by 2020 from

USD 26.1 billion in 2016.

India is expected to emerge among the three leading pharmaceutical markets in terms of incremental growth. India's pharmaceutical exports stood at USD 16.8 billion in 2016-17 and could grow 30% over the next three years to reach USD 20 billion.

Increasing consumer expenditures, rapid urbanisation, increasing healthcare insurance coverage could combine to make India the ninth-largest market. The Government of India unveiled the Pharma Vision 2020 aimed at making India a global leader in end-to-end drug manufacture by reducing approval times for new facilities.

(Source: IBEF, ET, Pharmaceuticals Export Promotion Council of India)

## Government initiatives

- In March 2018, the Drug Controller General of India

announced plans to start a single-window facility to provide consents, approvals and other information.

- The Government of India invoked Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the affordability and availability of medicines.

(Source: IBEF)

Increasing consumer expenditures, rapid urbanisation, increasing healthcare insurance coverage could combine to make India the ninth-largest market.

## Global biotechnology industry overview

The global biotechnology market size was estimated at USD 369.62 billion in 2016. The biotechnology segment of the global pharmaceutical sector is one of the most exciting for its ability to find effective cures at lower costs without side-effects and without compromising environment integrity. The result is that the global biotechnology is expected to grow appreciably, attract investments and address a wider range of ailments. North America accounted for the largest market share attributed to increased research investments pertaining to new drug discovery, followed by

Europe and Asia-Pacific.

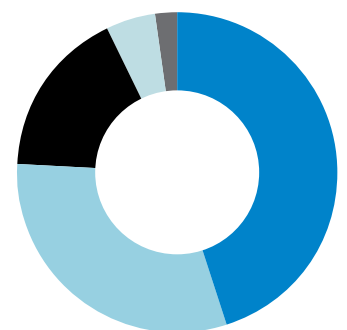
There is a premium on the need to boost R&D efficiency, partly by embracing emerging technologies and partly through use of creative business models. There is a growing room for artificial intelligence and computer processing to streamline components of drug discovery, allowing rapid screening of huge numbers of molecules. Cloud-based, secure data-sharing platforms are facilitating greater research collaboration across geographies. The International

Council of Biotech Associations (ICBA) announced the launch of [www.internationalbiotech.org](http://www.internationalbiotech.org), a new website to support the organisation's mission of growing and connecting the innovative biotechnology industry worldwide. (Source: Grand View Research, Ernst & Young)

## Outlook

The global biotechnology market is expected to reach USD 727.1 billion by 2025 from USD 216.5 billion in 2011.

Biotechnology market, by region, 2016 (%)



■ North America ■ Europe  
■ Asia Pacific ■ Latin America  
■ MEA

## Indian biotechnology industry

The Indian biotechnology industry accounts for a ~2% share of global biotechnology revenues. The biotechnology sector in India, comprising ~800 companies, was valued at USD 11.6 billion in 2017. Bio-pharma was the largest sector contributing ~62% of the total revenue followed by bio-services (18%), bio-agro (15%), bio-industry (4%), and bio-informatics (1%).

India enjoys a marginal global share in the area of industrial enzymes. By leveraging focused R&D and knowledge-based innovation, India can innovatively replace polluting chemicals with eco-friendly variants. Another emerging field of study is the area of

bio-markers and companion diagnostics that optimise the benefits of biotech drugs. India accounts for a ~8% share of the total global generics market, by volume, indicating a huge untapped opportunity in the sector. Outsourcing to India is projected to grow following the discovery and manufacture of formulations. India's biotech start-ups attracted investments worth USD 2.8 billion between 2012 and February 2017. In FY16, bio-services accounted for the second largest segment in India's biotechnology industry with 18% market share and a market size of USD 1.98 billion. (Source: IBEF)

### Outlook

By 2024-25, India's biotech industry is estimated to increase to USD100 billion. India's indigenous biotech sector has risen rapidly in recent years, with the country's bio-pharmaceuticals industry leading the charge. Given increasing private investment in R&D and the sector's relatively low starting point, there remains immense potential for growth in bio-pharmaceuticals, bio-services and bio-agriculture. As per the 12th Five-Year Plan, the government aims to spend USD 3.7 billion on biotechnology compared to USD 1.1 billion in the 11th Five-Year Plan.

(Source: IBEF)

### Government initiatives

- The Union Budget 2017-18 allocated Rs. 2,222.11 crore towards the Department of Biotechnology, an increase of 22%, to continue implementing the department's national biotech strategy and increase turnover from the sector to USD 100 billion by 2025 from USD 7 billion in 2016.
- The Telangana Government inked a MoU with Cerestra to create a sophisticated modular plug-and-play infrastructure for pharmaceuticals, biotech and medical devices industry with a corpus of Rs. 1,000 crore.

(Source: IBEF)

## Global Active Pharmaceutical Ingredient (API) industry overview

North America dominates the API market, with the US accounting for the major share. This can be attributed to the increase in the increasing incidence of chronic diseases, increasing focus of governments on the adoption of generic drugs, rising demand for biologics and specialty drugs, and technological advances in API manufacturing in this region.

By end-2017, the worldwide demand for APIs reached USD 92 billion, split between captive production (USD 44 billion) and the merchant market (USD 48 billion). The merchant market is further divided into generics (USD 35 billion) and custom synthesis (USD 13 billion). Currently, >3,000 API manufacturing groups are operating across the globe. The majority of API groups, 64% or 1,955 corporations, are classified as local. These companies

are focused on or may only be capable of supplying their domestic market or less regulated markets. There are currently 542 API manufacturers (18%) classified as established, which means that these companies are capable of catering to highly-regulated markets such as the US and the EU. (Source: Markets and Markets, Clarivate, Reuters, EFCG)

### Growth drivers

The factors driving market growth include increasing incidence of chronic diseases, rising prevalence of cancer, technological advancements in API manufacturing, growing importance of generics, rapidly increasing geriatric population, increase in Abbreviated New Drug Applications (ANDAs) and increasing uptake of bio-pharmaceuticals. (Source: PR News Wire, Markets and Markets)

### Challenges and concerns

Factors such as stringent regulatory requirements and unfavourable price control policies across various countries could restrain market growth. Generic companies are finding that mergers, acquisitions and regulatory issues have taken some facilities out of the running. Generic API manufacturers are challenged by the need to develop syntheses that don't infringe on patents while keeping costs low. Regulatory requirements are tightening and could continue to do so with a push for more transparency in the supply chain. This could result in requiring certification for good manufacturing practices for key intermediates and raw materials. Environmental regulations, especially in China, are putting a pressure on corporations to remedy pollution problems. Some

Regulatory requirements are tightening and could continue to do so with a push for more transparency in the supply chain. This could result in requiring certification for good manufacturing practices for key intermediates and raw materials.

plants are being shut or moved, causing capacity issues and supply chain interruptions from raw materials to intermediates and APIs. (Source: Clarivate, Markets and Markets)

### Outlook

The global API market is poised to grow at a CAGR of ~6.6% over the next decade to reach approximately USD 238.8 billion by 2025. New APIs may not be simple small molecules but more complex, potent APIs and biologics, which require specialised equipment and dedicated facilities. (Source: EFCG, Clarivate, PR News Wire)



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## Indian API industry overview

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The Indian API industry has been witnessing remarkable growth owing to patent expiry of blockbuster drugs, increasing demand for low-cost generics and new-gen APIs. The Indian

API domestic consumption market is forecast to grow at a CAGR of ~10% till 2022. India and China are the major suppliers of APIs to North America due to their large

production capacities, low labour costs and presence of a large number of global and domestic players. In order to cut down on expenses and increase profits, more companies have

begun outsourcing APIs to developing countries like India. (Source: Mordor Intelligence, RNCOS)

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## Global enzymes industry overview

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Enzymes are macromolecular biological catalysts, it speeds up (catalyze) chemical reactions converting a specific set of reactants (called substrates) into specific products.

Food and beverages remain the largest application area for industrial enzymes and are expected to witness robust growth on account of rising

disposable incomes coupled with a growing demand for nutritious diets. The increasing use of industrial enzymes in sugar, dairy and meat processing industries could catalyze growth. The industrial enzymes market was worth USD 6.107 billion in 2017. (Source: Business Wire)

### Outlook

The industrial enzymes market is projected to witness a CAGR of 6.92% to reach USD 8.536 billion by 2022. Booming processed food and beverage industry is augmenting the demand for industrial enzymes to enhance the product's texture, taste, and flavour. Rising demand for cosmetics

and personal care products due to growing global aging population and awareness are contributing to the global industrial enzymes market growth. (Source: Grand View Research, Business Wire)

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## Indian enzymes industry overview

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India imports about 70% of its enzyme consumption. Pharmaceutical enzymes represent the bulk of the demand in India, covering ~50% of the total demand, followed by detergent enzymes

(20%) and textile enzymes (20%). (Source: SIS international, Pharmaion)

### Outlook

The Indian industrial enzymes market is forecast to surpass

USD 361 million by 2020 on account of increasing food processing facilities, growing number of tanneries and rising textile manufacturing facilities in the country. The food enzymes market is expected

to reach USD 2.7 billion by 2022, growing at a CAGR of 8.1% till 2022. (Source: Mordor Intelligence, Pharmaion)

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## Environmental solutions industry overview

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### Wastewater management

The global water management market for 2017 was estimated at >USD 652 billion, a growth rate of 5.7% in the industrial segment and 3.8% in the municipal segment. India's total water and sanitation sector is worth USD 420 million, growing at 18%. The wastewater treatment market in India is projected to grow at a CAGR of >12% till 2021 on account of increasing water pollution, rapid urbanisation and stringent

regulation. Growing demand for smart water management solutions – including water reuse and zero liquid discharge technologies – in the industrial segment is increasing the growth of the wastewater management market. (Source: World Bank, Techsci Research)

### Solid waste management

62 million tonnes of garbage is generated annually by 377 million people living in urban India. As the Indian

economy expands and material consumption rises, a major challenge will be the management and containment of solid waste. By the year 2047, municipal solid waste generation in India, is expected to reach 300 million tonnes, entailing a land requirement of 169.6 square kilometres for disposing this waste. This also represents a significant increase in per capita waste generation from 1.2 kilograms to 1.42 kilograms per day over

the next fifteen years. Effective waste management requires integrated systems that are efficient, sustainable, and socially-supported. Over the last few years, the scope for PPPs in municipal solid waste management has expanded. Different models with different approaches for the assessment of risks and responsibilities of stakeholders are being adopted. Cities such as Mumbai, Surat, Faridabad, Agra and Dhanbad have entered into

arrangements with private players. The municipal solid waste sector has a portfolio of 33 key PPP projects involving a combined investment of ~Rs. 60 billion. In terms of investments, 40% of the projects have been completed, 7% are at various stages of implementation, 42% have been recently awarded, 9% will be taken up in the future and the remaining 2% have been stalled. (Source: World Bank)

#### Government initiatives

- The Ministry of State for Housing and Urban Affairs allocated Rs.300-crore in procuring machines for collection, transport and storage of solid waste, establishment of decentralised treatment plans

and operationalisation of special machines for the upkeep of drains and sewers.

- The Central Government allocated Rs. 620 billion towards the Swachh Bharat Mission for the construction of two crore toilets during the financial year.

- Under the Swachh Bharat Mission, a sum of Rs. 74.24 billion was allocated for solid waste management projects across 4,041 towns.

- Under the AMRUT scheme, 574 septage management and sewerage projects were planned for an investment of Rs. 205 billion.

- An investment of ~Rs. 40.14 billion was allocated towards solid waste management projects under the Smart Cities

programme.

(Source: Livemint, Hindu Business Line)

#### Challenges and concerns

With rapid urbanisation, the country is facing massive waste management challenges.

Increasing along with it is one of the more unpleasant by-products of urban living: municipal solid waste. Cities are centres of garbage generation, increasing faster than population growth. The waste generated by urban residents has nearly doubled in ten years: from 680 million tonnes per year to >1.3 billion tonnes per year. Increase in costs of dealing with waste poses especially significant problems for developing countries.

Today it costs ~USD 205 billion to manage municipal waste worldwide and by 2025 that cost is expected to increase to >USD 375 billion.

(Source: World Bank)

#### Outlook

Overall, the municipal solid waste management sector offers opportunities. Urban local bodies will step up efforts to effectively develop and manage solid waste infrastructure. A number of waste-to-energy initiatives have been taken up and decentralised systems are being explored. Going forward, standalone and integrated solid waste projects will be undertaken. The services will expand to newer and smaller urban centres.

## Business segment: Property rental

DIL entered the property development business in 2012, following the establishment of a state-of-the-art IT park in one of Thane's prime locations. The project, Thane One, is spread across ~200,000 square feet and is home to some of the marquee brands in the country including Tata Technologies Limited, Ashok Leyland Limited, Samsung India and Datamark BPO Services Limited among others. >90% of the space is

occupied and the rent is subject to revision every few years. The total revenue (standalone) of the Company is generated from property rental which accounted to Rs. 13 crore in FY2017-18.

The year 2016 was a strong year for commercial real estate and the trend continued in 2017. Major cities like Bengaluru, Chennai, Hyderabad, Mumbai and Pune registered a positive absorption scenario > 40 million

square feet, which resulting in a steady increase in commercial rental values.

The Thane real estate market offers several locational advantages. It is linked to Mumbai via the Eastern Express Highway and the Eastern Freeway, to Navi Mumbai via the Thane-Belapur Road, to the Central and Western suburbs via Ghodbunder Road and to areas in Gujarat via the Mumbai-Ahmedabad Highway.

The growth of flyovers, highways and wide roads has changed the image of Thane as an urban agglomeration. Besides, a proposed 32-kilometre Metro link from Wadala to Kasarvadavali will further ease the commute for Thane residents. Arterial roads like the Pokhran Road and the Ghodbunder Road offer road access to neighbouring localities.



Thane One - a visionary and state of the art Business & Corporate IT Park in one of Thane's prime locations, suburb of Mumbai.







# Report of The Board of Directors

*Dear members*

Your Directors are pleased to present the 66th Annual Report along with the Audited financial statements for the financial year ended March 31, 2018.

## FINANCIAL HIGHLIGHTS (As per IND-AS):

(Amount Rs. in Lakhs)

	Standalone results		Consolidated results	
	2017-18	2016-17	2017-18	2016-17
Total Revenue	1,288.82	596.48	31,192.42	16,847.09
Total Expenditure	3,635.29	2,393.92	23,595.48	17,399.94
<b>Profit before tax ('PBT')</b>	<b>(2,346.47)</b>	<b>(1,797.44)</b>	<b>7,596.94</b>	<b>(552.85)</b>
Less : Provision for tax (including deferred tax)	69.00	32.75	2,113.23	270.11
<b>Profit after tax ('PAT')</b>	<b>(2,415.47)</b>	<b>(1,830.19)</b>	<b>5,483.71</b>	<b>(822.96)</b>
Non Controlling interest	-	-	(1,262.84)	(280.20)
Share of interest in profit/(loss) of associates	-	-	(652.12)	(39.26)
<b>Profit for the year</b>	<b>(2,415.47)</b>	<b>(1,830.19)</b>	<b>3,568.75</b>	<b>(1,142.42)</b>
Proposed Dividend*	(114.66)	(57.33)	(114.66)	(57.33)
Dividend Distribution Tax	(23.34)	(11.67)	(23.34)	(11.67)
Balance in Statement of Profit and Loss account	923.88	3,355.67	10,671.80	7,150.15

\* Dividend at the rate of 25% (Rs. 1.25 per equity share of Rs. 5 each) as proposed by the Board of Directors, after close of balance sheet date, subject to approval of shareholders.

## RESULTS FROM OPERATIONS

In financial year 2017-18 ('FY 2017-18'), the Company on a Standalone basis earned revenue of Rs. 1,288.82 Lakhs, compared to Rs. 596.48 Lakhs in the previous financial year 2016-17 ('FY 2016-17'). In 2017-18, the Company reported a loss of Rs. (2,415.47) Lakhs as against loss of Rs. 1,830.19 Lakhs in FY 2016-17.

On a consolidated basis, the Company recorded a revenue of Rs. 31,192.42 Lakhs in FY 2017-18 as compared to Rs. 16,847.09 Lakhs in FY 2016-17. Profit after tax for FY 2017-18 was Rs. 5,483.71 Lakhs, as against loss of Rs. 822.96 Lakhs in FY 2016-17.

## DIVIDEND VIS-À-VIS CHANGE IN CAPITAL

At the meeting of the Board of Directors held on May 15, 2018, your Directors recommended an equity dividend of Rs. 2.50 per equity share (25%) on 22,93,198 equity shares of Rs. 10 each, for members' approval.

However, pursuant to members' approval by way of postal ballot including e-voting dated July 25, 2018 for (i) split/ sub-division of shares from face value of Rs. 10 each to face value of Rs. 5 each ('Split') and (ii) issue of bonus equity shares in a ratio of 1:1 i.e. 1 new fully paid-up equity share of Rs.5 each for every 1 existing fully paid-up equity share of Rs. 5 each ('Bonus'), the Board of Directors in its meeting held on August 10, 2018 approved issue of Split share certificates and allotment of Bonus equity shares. Accordingly, the: (a) new paid up share capital of the Company is Rs. 4,58,63,960 comprising of 91,72,792 equity shares of Rs. 5 each; and (b) revised authorised share capital of the Company is Rs. 5,00,00,000 comprising of 98,40,000 equity shares of Rs. 5 each and 1,60,000 unclassified shares of Rs. 5 each.

In view of revised paid up share capital, post Split and Bonus issue, the Board of Directors at its meeting held on August 14, 2018, revised its earlier recommendation of May 15, 2018, of final equity dividend from 25% (Rs. 2.50 per equity share) on 22,93,198 equity shares of Rs. 10 each to 25% (Rs. 1.25 per equity share) on 91,72,792 equity shares of Rs. 5 each, for members' approval at the 66th Annual General Meeting ('AGM'). The equity dividend, if approved by the Members at the 66th Annual General Meeting ('AGM'), will result in a cash outflow of Rs. 138 Lakhs including dividend distribution tax.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for FY 2017-18 include financials of its subsidiaries, joint venture entity and associate companies (collectively referred as 'Subsidiaries/ Associates') i.e. Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, Aegean Properties Limited, CC Square Films Limited (Subsidiaries), Agastya Films LLP (joint venture

entity); Health and Wellness India Private Limited and Zela Wellness Private Limited (associate companies). The consolidated financial statements of the Company and its Subsidiaries/ Associates entities are prepared in accordance with the relevant Indian Accounting Standards (Ind AS) notified under the Company (Indian Accounting Standards) rules, 2015 together with the comparative period data as at and for the previous year ended March 31, 2017, along with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('Act'), shall form part of this Annual Report.

## SUBSIDIARY COMPANIES

The individual financial statements of the Company's Subsidiaries/ Associates have not been attached to the financial statements of the Company for FY 2017-18. The financial information of the Company's Subsidiaries/ Associates provided in this section may be read along with the information provided under the heading 'Consolidated Financial Statements' in this report. In accordance with the provisions of section 129 (3) of the Act, read with Rule 5 and Rule 8 of the Companies (Accounts) Rules, 2014 [as amended from time to time], a separate statement containing salient features of the financial statements of Company's Subsidiaries/ Associates in Form AOC I is attached to this Board's report as Annexure II and forms part of this Board's report.

The financial statements of the Company's Subsidiaries/ Associates will be kept open for inspection at the registered office of the Company, from 10.00 a.m. to 5.00 p.m. on all working days i.e. Monday to Friday, up to the date of the 66th AGM of the Company.

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

## MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company during FY 2017-18 mainly include:

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

The detailed MD&A report forms part of this Board's Report as provided on page 25.

## INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Internal Controls Systems including internal financial control are an integral part of the risk management process. Major risks identified by the management and business functions are systematically addressed through mitigating actions on a continuing basis. In order to identify and mitigate risks, your Company has developed and implemented risk management policy and maintains adequate internal control systems, commensurate 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 to procedures as per the policies of the Company.

The Company has a well-staffed, experienced and qualified finance department which plays an important role in implementing and monitoring the internal control procedures and compliance with statutory requirements. The Audit Committee and the Board of Directors review the report(s) of the independent Internal Auditor at regular intervals along with the adequacy and effectiveness of internal control systems and suggest improvements and corrective actions, wherever necessary.

## HUMAN RESOURCES

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

The Company had a headcount of 31 employees 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.

For the next financial year, the Company's main focus would be to enhance Human Resource automation pertaining to Performance & Employee Database Management. The organisation has subscribed for three modules of SAP Success Factors namely Employee Central, Performance Management & Compensation Management. The Objective Setting process would be revamped and uploaded on SAP Success Factors.

Members can inspect the said information at the Registered Office of the Company during business hours on any working day i.e. Monday to Friday up to the date of this 66th AGM or can obtain its copy by writing to the Company Secretary at the registered office address of the Company.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has formulated a code on 'Redressal of Grievances Regarding Sexual Harassment' in accordance with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, with an objective to provide safe working environment to the employees. An 'Internal Complaints Committee' has been set up by the Company for redressal of grievances and to protect women against harassment of the employees.

No complaints/grievances were reported or pending during FY 2017-18.

## SCHEME OF AMALGAMATION

The Board of Directors of the Company at its meeting held on June 21, 2018, has approved a Scheme of Amalgamation in terms of Sections 230 to 232 of the Companies Act, 2013, involving merger of Fermenta Biotech Limited (Transferor Company) with DIL Limited (Transferee Company). The said scheme is subject to the approval of the respective shareholders and creditors, National Company Law Tribunal and other regulatory and statutory approvals as applicable.

## INFORMATION TECHNOLOGY

Information Technology (IT) acted as an enabler of productivity by implementing sophisticated application environments (e.g. SAP HANA, ITSM Platform for ERP) and will continue to invest in Cloud based CRM and HRIS Platform.

Your Company's IT Team manages Company's operations 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 excellence through a strong focus on managing the details, and a culture ingrained with continuous improvements.

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 FY 2017-18, your Company has not accepted any fixed deposits under Section 73 of the Act including rules framed thereunder, and no principal or interest remains unpaid or unclaimed as on March 31, 2018.

## CREDIT RATING

During FY 2017-18, the Company has withdrawn its ratings from CARE, as it does not have any loans from banks. During FY 2017-18, the Company has not defaulted in payment of its obligations to any financial institutions.

## DIRECTORS

### Independent Directors:

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

### Retirement by rotation:

Ms. Rajeshwari Datla (DIN – 00046864) retires by rotation at the 66th AGM and being eligible, offers herself for re-appointment. Brief profile of Ms. Rajeshwari Datla is provided on page no. 50 of this Annual Report.

### Directors and Key Managerial Personnel:

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

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

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

## AUDITORS

The members in the 65th AGM of the Company held on September 29, 2017 approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No: 117366W/W-100018) as Statutory Auditors of the Company and to hold office from the conclusion of 65th Annual General Meeting (AGM) until the conclusion of 70th AGM of the Company, subject to ratification of their appointment by the Members at every AGM of the Company during the above term, on such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors.

However, with effect from May 07, 2018, the Companies (Amendment) Act, 2017 has dispensed with the requirement of the ratification of Statutory Auditor's appointment by the members of the Company at every AGM during their tenure.

Therefore, in view of the aforesaid amendment vide Companies (Amendment) Act, 2017, and to partially modify the members' approval at the 65th AGM for the appointment Statutory Auditors of the Company, the approval of the members is sought to ratify the appointment of Deloitte Haskins & Sells LLP as Statutory Auditors of the Company for their remaining term i.e. till the conclusion of 70th AGM of the Company.

Deloitte Haskins & Sells LLP has expressed its willingness and confirmed its eligibility and qualification to act as Statutory Auditors of the Company in terms of sections 139 and 141 of the Companies Act, 2013 and rules made thereunder.

The qualification(s) made by the Auditors in their report for the FY 2017-18 and the explanation(s) of the Board thereof is stated in page no. 55 of the Corporate Governance 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 FY 2017-18 as per the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems 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, 2018

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

## CODE FOR PREVENTION OF INSIDER TRADING

Pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 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.

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

## NOMINATION AND REMUNERATION POLICY

Pursuant to Section 178(4) of the Act, the Nomination and Remuneration Policy ('Remuneration Policy') of the Company, including changes therein, if any, is available on Company's website at <http://www.dil.net/Company-Policies.html>. The salient features of the Nomination and Remuneration Policy, inter alia, are: (a) Objectives, (b) Matters to be recommended by the Committee to the Board, (c) Criteria for appointment of Director / KMP / Senior management, (d) Additional Criteria for Appointment of Independent Directors, (e) Appointment and Remuneration of Directors, (f) Policy on Board Diversity, (g) Appointment and Remuneration of KMP / Senior management and other employees of the Company, (h) Criteria for Evaluation of Independent Director and the Board, (i) Removal, (j) Succession planning for appointment to the Board of Directors and Senior Management, (k) Directors' and Officers' (D & O) Liability Insurance.

## COST RECORDS

Provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the Company for the period under review.

## CORPORATE ACTIONS

The Board of Directors, at its meeting held on June 18, 2018, has approved the following items, subject to members' and necessary statutory approvals:

- a) Split/sub-division of shares of the Company from face value of Rs. 10 (Rupees Ten Only) each to face value of Rs. 5 (Rupees Five Only) each;
- b) Issue of bonus equity shares in the proportion of 1:1 i.e. for 1 (One) new fully paid-up equity share of Rs. 5 (Rupees Five only) each for every 1 (One) existing fully paid-up equity share of Rs. 5 (Rupees Five only) each held by the members;
- c) Amendment to the Capital Clause of the Company i.e. Clause V of the Memorandum of Association, consequent to the aforesaid split and bonus Issue;
- d) Amendment to the Objects Clause of the Company.

The members accorded their consent to the above items on July 25, 2018. All Statutory approvals for the same have been obtained by the Company.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or made investments covered under the provisions of Section 186 of the Act during FY 2017-18.

## RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2017-18 were on an arm's length basis and in the ordinary course of business. During FY 2017-18, the Company has not entered into any material

related party transaction. In view of this, disclosure in form AOC-2 is not applicable.

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

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

### (A) Conservation of energy and Technology absorption -

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

### (B) Foreign Exchange Earnings and Outgo -

During FY 2017-18, there were no foreign exchange earnings.

## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, the Corporate Governance Report along with the Corporate Governance Certificate issued by Mr V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, for the financial year 2017-18 is provided as Annexure III and forms part of this Report.

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

No CSR spending was required in FY 2017-18 in terms of Section 135 of the Act. Hence, no disclosure is required as per Companies (Corporate Social Responsibility Policy) Rules, 2014.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in business and in the nature of business of your Company during the FY 2017-18

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

There was no order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations during FY 2017-18.

## SECRETARIAL STANDARDS

During FY 2017-18, the Company has complied with the provisions of applicable Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government.



## DETAILS OF SHARES IN DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, the details of the shares in the Dematerialisation Suspense Account/ Unclaimed Suspense Account are as follows:

Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year (01.04.2017)	Number of shareholders who approached the Company for transfer of shares from Suspense Account during the year	Number of shareholders to whom shares were transferred from Suspense Account during the year	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year (31.03.2018)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
NIL	2	NIL	237 number of shareholders and 10463 Equity Shares	10463 Equity Shares

## 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  
(DIN: 00391436)

Thane  
August 14, 2018  
Registered Office:  
A -1601, Thane One, DIL Complex,  
Ghodbunder Road, Majiwada,  
Thane (West) – 400 610  
Maharashtra, India.

# Annexure I

## EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018

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

FORM NO. MGT – 9

### I. REGISTRATION AND OTHER DETAILS:

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

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

Sl. no	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section**
	<b>Holding Company:</b>				
1.	DVK Investments Private Limited #	U67120MH2003PTC141695	Holding Company	53.91%	Section 2(46)
	<b>Direct Subsidiaries:</b>				
2	Aegean Properties Limited #	U45200MH1995PLC084766	Subsidiary Company	100%	Section 2(87)
3	CC Square Films Limited #	U93000MH2011PLC212089	Subsidiary Company	100%	Section 2(87)
4	Fermenta Biotech Limited (FBL) A-1501, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W), Maharashtra - 400610	U99999MH1986PLC134021	Subsidiary Company	91.20% (refer Note below)	Section 2(87)

Sl. no	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section**
<b>Step down Subsidiaries:</b>					
5.	Fermenta Biotech (UK) Limited Charter House 8-10 Station Road Manor Park London E12 5BT	Foreign Company Registration no: 03308303	Subsidiary Company [100% subsidiary of FBL]	-	Section 2(87)
6.	G. I. Biotech Private Limited A-1501, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W) - 400610, Maharashtra	U24230MH2004PTC148220	Subsidiary Company [62.50% i.e. subsidiary of FBL]	-	Section 2(87)
<b>Associate Entities:</b>					
7	Health and Wellness India Private Ltd. Zela Health Clubs, No. 133 and No. 133/1, Residency Road, Bangalore - 560025, Karnataka	U85100KA2008PTC047190	Associate Company	47.15%	Section 2(6)
8	Zela Wellness Private Limited 9th Floor, The Residency, 2, Residency Road, Bangalore - 560025, Karnataka	U74900KA2012PTC063026	Associate Company	29.50%	Section 2(6)
9	Agastya Films LLP #	AAF-1964	Joint Venture Entity	50%	Section 2(6)

\*\* : Under the Companies Act, 2013

# Registered office address at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, 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 (31.03.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
a) Individual/ HUF	199085	-	199085	8.68	199085	-	199085	8.68	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1236235	-	1236235	53.91	1236235	-	1236235	53.91	-
e) Banks / FI I)	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>1435320</b>	<b>-</b>	<b>1435320</b>	<b>62.59</b>	<b>1435320</b>	<b>-</b>	<b>1435320</b>	<b>62.59</b>	<b>-</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>1435320</b>	<b>-</b>	<b>1435320</b>	<b>62.59</b>	<b>1435320</b>	<b>-</b>	<b>1435320</b>	<b>62.59</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	10	7	17	-	10	-	10	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (31.03.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor	-	-	-	-	322	-	322	0.01	0.01
i) Others : Foreign Bank	-	157	157	0.01	-	157	157	0.01	-
<b>Sub-total (B)(1):-</b>	<b>10</b>	<b>164</b>	<b>174</b>	<b>0.01</b>	<b>332</b>	<b>157</b>	<b>489</b>	<b>0.02</b>	<b>0.01</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	82336	1167	83503	3.64	72618	990	73608	3.21	(0.43)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	411230	72788	484018	21.11	398279	59909	458188	19.98	(1.13)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	242691	-	242691	10.58	254793	-	254793	11.11	0.53
<b>c) Others:</b>									
Clearing member	11231	-	11231	0.49	11615	-	11615	0.51	0.02
NRI (repat)	4553	82	4635	0.20	1601	70	1671	0.07	(0.13)
Non resident (non repatriable)	9915	-	9915	0.43	3689	-	3689	0.16	(0.27)
Hindu Undivided Family (HUF)	21711	-	21711	0.95	43362	-	43362	1.89	0.94
Investor Education and Protection Fund	-	-	-	-	10463	-	10463	0.46	0.46
<b>Sub-total (B)(2):-</b>	<b>783667</b>	<b>74037</b>	<b>857704</b>	<b>37.40</b>	<b>796420</b>	<b>60969</b>	<b>857389</b>	<b>37.39</b>	<b>(0.01)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>783677</b>	<b>74201</b>	<b>857878</b>	<b>37.41</b>	<b>796752</b>	<b>61126</b>	<b>857878</b>	<b>37.41</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2218997</b>	<b>74201</b>	<b>2293198</b>	<b>100</b>	<b>2232072</b>	<b>61126</b>	<b>2293198</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters

Sr. no	Shareholder's Name	Shareholding at the beginning of the year (31.03.2017)			Shareholding at the end of the year (31.03.2018)			% 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	-	-
	<b>TOTAL</b>	<b>14,35,320</b>	<b>62.59</b>	<b>-</b>	<b>14,35,320</b>	<b>62.59</b>	<b>-</b>	<b>-</b>

(iii) Change in Promoters' Shareholding:

There is no change in the Promoters' shareholdings during the financial year 2017-18.

(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 (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease	Reason Purchase (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	3.71	01.04.17	-			
		85002	3.71	31.03.18	-		85002	3.71
2	NAJMUDDIN GULAMHUSEIN KHERAJ	22040	0.96	01.04.17				
				13.10.17	7459	P	29499	1.29
				20.10.17	1172	P	30671	1.34
				27.10.17	51	P	30722	1.34
		30722	1.34	31.03.18	-	-	30722	1.34
3	ANUPAMA DATLA DESAI	26499	1.16	01.04.17	-			
		26499	1.16	31.03.18	-	-	26499	1.16
4	IMRAN S CONTRACTOR	24219	1.06	01.04.17	-			
		24219	1.06	31.03.18	-	-	24219	1.06
5	GIRISH GULATI (HUF)	0	0	01.04.17	-			
				10.11.17	2005	P	2005	0.09
				24.11.17	7074	P	9079	0.40
				01.12.17	(700)	T	8379	0.37
				15.12.17	2280	P	10659	0.46
				22.12.17	6537	P	17196	0.75
				29.12.17	1290	P	18486	0.81
				05.01.18	3048	P	21534	0.94
				12.01.18	1022	P	22556	0.98
				09.02.18	387	P	22943	1.00
		22943	1.00	31.03.18	-	-	22943	1.00
6	MAHAVIR L MEHTA	32088	1.40	01.04.17	-			
				07.04.17	(110)	T	31978	1.39
				03.11.17	(3500)	T	28478	1.24
				12.01.18	(1489)	T	26989	1.18
				19.01.18	(2000)	T	24989	1.09
				26.01.18	(1000)	T	23989	1.05
				02.02.18	(370)	T	23619	1.03
				16.02.18	(1700)	T	21919	0.96
		18919	0.83	31.03.18	(3000)	T	18919	0.83
7	ASHMAVIR FINANCIAL CONSULTANTS PRIVATE LIMITED	16626	0.73	01.04.17	-			
				13.10.17	250	P	16876	0.74
		16876	0.74	31.03.18	-	-	16876	0.74



Sl. no	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease	Reason Purchase (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
8	POONAM ARORA	0	0	01.04.17	-			
				01.09.17	1040	P	1040	0.05
				22.09.17	1916	P	2956	0.13
				29.09.17	749	P	3705	0.16
				16.02.18	160	P	3865	0.17
				23.02.18	537	P	4402	0.19
				02.03.18	8535	P	12937	0.56
				09.03.18	210	P	13147	0.57
				16.03.18	1532	P	14679	0.64
				23.03.18	1088	P	15767	0.69
		15767	0.69	31.03.18	-	-	15767	0.69
9	PREETI THAKKAR	11057	0.48	01.04.17	-			
		11057	0.48	31.03.18	-	-	11057	0.48
10	DUPEN LABORATORIES PRIVATE LIMITED	10364	0.45	01.04.17	-			
		10364	0.45	31.03.18	-	-	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 (01.04.17)/ end of the year (31.03.18)		Date	Increase/ Decrease	Reason	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	01.04.17	-	-		
		1,99,085	8.68	31.03.18	-	-	1,99,085	8.68
2.	RAJESHWARI DATLA	31,768	1.39	01.04.17	-	-		
		31,768	1.39	31.03.18	-	-	31,768	1.39

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (As per IND-AS)

(Rs. In Lakhs)

Indebtedness at the beginning of the financial year (01.4.17)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	4,077.06	350.00	-	4,427.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	44.68	37.06	-	81.74
Total (i+ii+iii)	4,121.74	387.06	-	4,508.80
Change in Indebtedness during the financial year				
• Addition	14,328.36	30.76	-	14,359.12
• Reduction	(4,615.36)	-	-	(4,615.36)
Net Change	9,713.00	30.76	-	9,743.76
Indebtedness at the end of the financial year (31.3.18)				
i) Principal Amount	13,702.08	350.00	-	14,052.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	132.66	67.82	-	200.48
Total (i+ii+iii)	13,834.74	417.82	-	14,252.56

## 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
		Mr. Krishna Datla
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	8,075,000 315,086 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	- -
5.	Others (Contribution to funds)	8,28,000
	Total (A)	92,18,086
	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 • Commission • Others	Rs. 2,20,000	Rs. 2,30,000	Rs. 4,50,000
	Total (1)	Rs. 2,20,000	Rs. 2,30,000	Rs. 4,50,000
2.	Other Non-Executive Directors	Ms. Rajeshwari Datla	Mr. Satish Varma	
	• Fee for attending board / committee meetings • Commission • Others	Rs. 1,90,000	Rs. 2,00,000	Rs. 3,90,000
	Total (2)	Rs. 1,90,000	Rs. 2,00,000	Rs. 3,90,000
	Total (B) = (1+2)	Rs. 4,10,000	Rs. 4,30,000	Rs. 8,40,000
	Total Managerial remuneration (A+B)			
	Ceiling as per the Act	The total fees to Directors payable for attending meetings are within the limits presented under the Companies Act, 2013		

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Srikant Sharma (Company Secretary)	Mr. Sumesh Gandhi (CFO)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,54,811	53,24,752	1,00,79,563
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	--	32,400
	(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, specify			
5.	Others (Contribution to Funds)	1,78,091	2,36,873	4,14,964
	Total	49,65,302	55,61,625	1,05,26,927

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

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

For and on behalf of the Board of Directors

**Sanjay Buch**

Chairman

(DIN: 00391436)

Thane  
August 14, 2018  
Registered Office:  
A -1601, Thane One, DIL Complex,  
Ghodbunder Road, Majiwada,  
Thane (West) – 400 610  
Maharashtra, India.

# Annexure II

## Form AOC-I

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

### Part "A": Subsidiaries

Sl. No.	Particulars	(Rs. 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= 92.28 INR for Balance Sheet and 92.28 INR for Profit and Loss account as on 31.03.2018)
5.	Share capital	1,770.45	30.00	5.00	1.00	203.02
6.	Reserves & surplus	15,495.77	84.24	(5.03)	(1.81)	(165.08)
7.	Total assets	26,631.75	114.05	0.02	5.99	37.94
8.	Total Liabilities	9,365.52	(0.19)	0.05	6.79	-
9.	Investments	42.18	-	-	-	-
10.	Turnover	29,201.99	18.00	5.53	-	-
11.	Profit before taxation	9,248.38	16.11	5.42	(0.90)	(109.62)
12.	Provision for taxation	2,042.05	2.37	-	(0.19)	-
13.	Profit after taxation	7,206.33	13.74	5.42	(0.71)	(109.62)
14.	Proposed Dividend	-	-	-	-	-
15.	% of shareholding	91.20%	100%	100%	62.50% subsidiary of FBL	100% subsidiary of FBL

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	Health and Wellness India Private Ltd.	Zela Wellness Private Limited	
Name of Joint Ventures	-	-	Agastya Films LLP
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired	02.02.2011	26.03.2012	20.11.2015

Name of Associates	Health and Wellness India Private Ltd.	Zela Wellness Private Limited	
3. Shares of Associate/Joint Ventures held by the Company on the year end			
Number	30,12,504 Equity Shares	1,03,234 Equity Shares	N.A
Amount of Investment in Associates/Joint Venture (Rs. In Lakhs)	475.00	225.00	-
Extent of Holding %	47.15%	29.50%	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
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
7. Profit / (Loss) for the year (Rs. in Lakhs)	(63.19)	(72.11)	(1,202.11)
• Considered in Consolidation (Rs. In Lakhs)	(29.79)	(21.27)	(601.06)
• Not considered in Consolidation (Rs. In Lakhs)	-	-	-

For and on behalf of the Board of Directors

**Sanjay Buch**  
Chairman  
(DIN: 00391436)

Registered Office:  
A – 1601, Thane One,  
'DIL' Complex,  
Ghodbunder Road, Majiwada,  
Thane (West) – 400 610,  
Maharashtra, India.  
August 14, 2018



# Annexure III

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Company constantly strives towards betterment of aspects such as transparency, professionalism and accountability and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society at large. The Company is committed to good corporate governance in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and in keeping with corporate governance norms. The Board of Directors of your Company reviews company practices and recommends suggestion(s) for improvement to the management for implementation.

### BOARD OF DIRECTORS

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

The composition of the Board as on March 31, 2018 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 DIRECTORS BEING REAPPOINTED, AS REQUIRED UNDER REGULATION 26(4), 36(3) OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETINGS SPECIFIED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT:

#### 1) Mr. Krishna Datla

*Managing Director*

Mr. Krishna Datla aged 37 years, a Commerce Graduate from Mumbai University, has played a key role in the decision making process and also oversees new businesses of the Company. Mr. Krishna Datla, is also the Promoter Director of Fermenta Biotech Limited (FBL), subsidiary company of DIL Limited. Credited with the integration of businesses across the various group companies, Mr. Krishna Datla has infused a strong sense of global vision thereby opening the opportunities across international markets.

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

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

Details of remuneration sought to be paid and the remuneration last drawn by Mr. Krishna Datla is provided on page no. 45 of Annual Report. Mr. Krishna Datla holds 1,99,085 equity shares (8.68%) of the Company.

## 2) Ms. Rajeshwari Datla

*Non Executive Director*

Ms. Rajeshwari Datla, aged 68 years, a Science 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.

During the Financial Year 2017-18, Ms. Datla was paid Rs. 1,90,000 towards sitting fees for attending Board and Committee meetings of the Company. She holds 31,768 equity shares (1.39%) 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, eight Board Meetings were held on May 30, 2017, August 1, 2017, August 11, 2017, September 14, 2017, October 11, 2017, November 24, 2017, December 14, 2017 and February 6, 2018. The maximum gap between any two board meetings was less than 120 days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations.

Attendance at the eight Board meetings and previous Annual General Meeting (AGM) held on September 29, 2017 is as follows:

Name	Board Meetings attended	Attendance at previous AGM
Mr. Sanjay Buch	8	Yes
Ms. Rajeshwari Datla	8	Yes
Mr. Vinayak Hajare	8	Yes
Mr. Krishna Datla	8	Yes
Mr. Satish Varma	8	Yes

## AUDIT COMMITTEE

During the year under review, six Audit Committee meetings were held on May 30, 2017, August 1, 2017, August 11, 2017, September 14, 2017, December 14, 2017 and February 6, 2018. 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, 2018 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	6
Ms. Rajeshwari Datla	Member	6
Mr. Vinayak Hajare	Member	6

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

The Company Secretary acts as Secretary to the Audit Committee.

### • Terms of reference:

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

- Review company's financial reporting process and accounting policies and practices.
- Review and recommend to the Board, appointment, re-appointment and removal of Statutory and Internal Auditors and fixation of auditors remuneration and other fees, including terms of appointment.
- Review with management of quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

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

## NOMINATION AND REMUNERATION COMMITTEE

- During the year under review, two Committee meetings were held on August 11, 2017 and February 6, 2018
- The Composition of the said Committee as on March 31, 2018 and the attendance of the Committee members in its meeting held during the financial year under review is as follows:

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

The Company Secretary acts as Secretary to the Committee.

- Terms of reference:**

The terms of reference include:-

Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal.

Carry out evaluation of every director's performance.

Devising a policy on diversity of Board of Directors

Formulate the criteria for determining qualifications, positive attributes and independence of a director.

Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees.

Recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Any other terms of reference, role, responsibility and powers as may be prescribed from time to time (i) under the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations; and/or (ii) by the Board of Directors of the Company.

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

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

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

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

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

The evaluation was done through a structured 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, 2018 are as follows:

Name of Director	Sitting Fees * (Rs)	Salary (Rs)	Contribution to PF and other funds (Rs)	Benefits & Perquisites (Rs)	Total (Rs)	No. of shares held
Mr. Sanjay Buch Independent Director	2,20,000	-	-	-	2,20,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	1,90,000	-	-	-	1,90,000	31,768
Mr. Vinayak Hajare Independent Director	2,30,000	-	-	-	2,30,000	NIL
Mr. Krishna Datla ** Managing Director	-	80,75,000	8,28,000	3,15,086	92,18,086	1,99,085
Mr. Satish Varma Non-Executive Director	2,00,000	-	-	-	2,00,000	NIL
<b>TOTAL</b>	<b>8,40,000</b>	<b>80,75,000</b>	<b>8,28,000</b>	<b>3,15,086</b>	<b>1,00,58,086</b>	<b>2,30,853</b>

\* Sitting Fees include fees for Board and Committee Meetings @ Rs. 20,000 and Rs. 5,000 per meeting respectively. With effect from February 7, 2018, sitting fees include fees for Board and Committee Meetings @ Rs. 40,000 and Rs. 10,000 per meeting respectively.

\*\* The agreement between the Company and the Managing Director is for a period of three years effective May 9, 2018. Either party is entitled to terminate the said agreement by giving not less than three month's 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. 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.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

- During the year under review, four Stakeholders Relationship Committee meetings were held on May 30, 2017, August 11, 2017, September 14, 2017 and February 6, 2018. The composition of the Committee as on March 31, 2018 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	4
Mr. Vinayak Hajare	Member	4

The Company Secretary acts as a Secretary to Stakeholders Relationship Committee.

### Terms of Reference:

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

- Redressal of Members' 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, A - 1601, Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 400 610, Maharashtra, India  
Tel No.022-67980800 Fax:-022-67980899  
e-mail: srikant.sharma@dil.net

## Investor Complaints and their redressal

- The numbers of investor complaints received and resolved during the financial year 2017-18 were 2.
- Pending complaints as on March 31, 2018 were NIL.

## GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Special Resolution(s) passed
2014-15	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.
2015-16	September 27, 2016 at 3:00 p.m.	Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 400 610.	1) Creation of mortgage and / or change under Section 180 (1) (a) of the Companies Act, 2013
2016-17	September 29, 2017 at 3:00 p.m.	Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 400 610.	-



## Postal Ballot

During the financial year 2017-18, the approval of the members was sought by way of Postal Ballot including e-voting vide Notice dated October 11, 2017, in respect of the following Special Resolutions:

- (i) Loans, guarantees, securities and investments
- (ii) Increase in borrowing powers of the Company
- (iii) Creation of charges and sale, lease or otherwise disposal of assets

The Company had provided its members the facility to exercise their right to vote through the postal ballot including the Electronic Voting on all the resolutions as set out in the Notice of the Postal Ballot. The Company had engaged the services of Central Depository Services Limited ("CDSL") to provide the remote e-voting facility. The Company appointed Mr. V. N. Deodhar (Membership No.FCS 1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries as the Scrutinizer to scrutinize the entire Postal Ballot process. After due scrutiny of all the Postal Ballot Forms received up to Sunday, November 12, 2017 (5.00 p.m. IST), Mr. V. N. Deodhar, Practising Company Secretary (FCS –1880), submitted his report dated November 13, 2017 to the Chairman and stated that all the special resolutions set out in the Postal Ballot Notice were duly passed with the requisite majority.

The said results were displayed on the Notice Board of the Company on November 13, 2017 and other statutory intimation(s) of the said Postal Ballot results were completed within the stipulated timelines.

## COMPANY POLICIES

### VIGIL MECHANISM POLICY

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

### POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS ('RPT Policy')

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

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

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

### POLICY FOR DETERMINING MATERIAL SUBSIDIARY

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

### DISCLOSURES

- The risk management reports are periodically placed before the Audit Committee and Board of Directors for review, based on the system and procedures devised.
- During the last three years, there were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets.
- Pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2018. 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 a quarterly basis and the Reconciliation of Share Capital Audit Reports were issued thereon during the year under review. The audit confirms that the total issued / paid – up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

- **Compliance with Mandatory Requirements**

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

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

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

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

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

(a) 'Basis for qualified opinion' and

(b) 'Qualified opinion';

as mentioned in the Independent Auditor's Report in page no. 64 of this Annual report in:

(i) (a) and (b), the Management is confident that profitability will be achieved by the referred associate entities and hence there is no permanent diminution in the valuation of these investments;

(ii), in view of the proposed revival plan by promoter of Noble Expochem Limited and considering the large asset it holds, the management is confident of recovery of this amount. Hence no provision for impairment is deemed necessary.

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

- **Members' Rights**

The Company publishes its financial results on its website at [www.dil.net](http://www.dil.net) which is accessible by the public at large. These financial results are also available on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). Extract of Consolidated Financial Results and Standalone Financial Summary of the Company for each quarter are published in an English newspaper and Marathi newspaper in the format prescribed under the SEBI Listing Regulations. Hence the results are not sent to the Members individually.

## MEANS OF COMMUNICATION

- The Quarterly, Half Yearly and Annual results, published in the proforma prescribed under the SEBI Listing Regulations, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within the prescribed time limit. The approved results are forthwith sent to BSE Limited in prescribed format where the Company's shares are listed.

- |   |  |
|---|--|
| • Newspapers wherein quarterly results are published:   | Business Standard (English) & Sakal (Marathi)  |
| • Any website, where displayed:   | Yes, BSE website ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) and the Company's website ( <a href="http://www.dil.net">www.dil.net</a> )   |
| • Online filing with BSE Corporate Compliance & Listing Centre:   | All periodical compliances of the Company as per SEBI Listing Regulations are also being filed online with the BSE Corporate Compliance & Listing Centre.  |
| • SEBI Complaints Redress System (SCORES) :   | The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralised web based complaints redress system of SEBI (SCORES). The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status. |
| • Whether it also displays official news releases and presentations made to institutional investors or to analysts: | N.A  |
| • Management discussion and analysis report (MD&A) is a part of the Annual report or not:                           | MD&A Report forms part of the Annual Report.   |

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

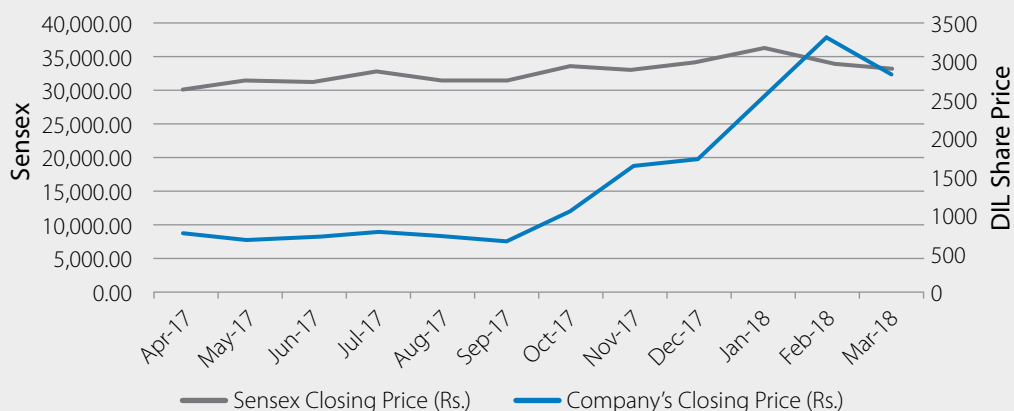
- Financial Year  
Financial reporting for the quarter ending June 30, 2018 : April 1 to March 31  
Financial reporting for the quarter ending September 30, 2018 : By August 14, 2018  
Financial reporting for the quarter ending December 31, 2018 : By November 14, 2018  
Financial reporting for the year ending March 31, 2019 : By February 14, 2019  
Financial reporting for the year ending March 31, 2019 : By May 30, 2019
- Date of Book closure : Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive)
- Dividend Payment Date : Final dividend (2017-2018) of Rs 1.25 per equity share (25 %) of Rs. 5 each, if declared at this AGM, shall be paid on or after Wednesday, October 3, 2018
- Listing on Stock Exchanges : BSE Limited (Listing fees for the year 2018-19 have been paid)
- Scrip Code on BSE Limited : 506414
- Market Price Data : High / low of the Company's Stock Price during each month in the financial year ended March 31, 2018

Month	DIL Limited	
	High (Rs.)	Low (Rs.)
April 2017	894	734
May 2017	770	650
June 2017	768	650
July 2017	785	650
August 2017	838	660.1
September 2017	718	590
October 2017	1152.2	670
November 2017	1650	1051
December 2017	1748.9	1463
January 2018	2737.65	1717
February 2018	3321.45	2394.45
March 2018	3321.45	2516.85

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

Month	Company's Closing Price (Rs.)	Sensex Closing Price (Rs.)	No. of shares of the Company traded
April 2017	750	29,918.4	3,545
May 2017	658	31,145.8	3,828
June 2017	702	30,921.61	5,766
July 2017	774.2	32,514.94	15,821
August 2017	696	31,730.49	46,615
September 2017	662.05	31,283.72	31,018
October 2017	1073.95	33,213.13	43,013
November 2017	1636.2	33,149.35	43,689
December 2017	1739	34,056.83	29,430
January 2018	2551	35,965.02	66,218
February 2018	3321.45	34,184.04	68,717
March 2018	2856.95	32,968.68	89,242

### DIL Share Prices / BSE Sensex



Registrar and Transfer Agents

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

#### • Share Transfer System:

Shares are normally transferred within a period of 15 days from the date of receipt, provided the documentation is in 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, 2018

Sr. No.	Range in no. of Shares	Holding (no. of shares)	Amount (Rs.)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	2,60,755	26,07,550	11.3708	3,947	95.7545
2	501 - 1000	58,855	5,88,550	2.5665	81	1.9651
3	1001 - 2000	58,365	5,83,650	2.5451	40	0.9704
4	2001 - 3000	32,182	3,21,820	1.4034	13	0.3154
5	3001 - 4000	27,963	2,79,630	1.2194	8	0.1941
6	4001 - 5000	23,130	2,31,300	1.0086	5	0.1213
7	5001 - 10000	81,189	8,11,890	3.5404	12	0.2911
8	10001 and above	17,50,759	1,75,07,590	76.3457	16	0.3882
	<b>Total</b>	<b>22,93,198</b>	<b>2,29,31,980</b>	<b>100</b>	<b>4,122</b>	<b>100</b>

- Equity Shareholding Pattern as on March 31, 2018

	Shareholding (no. of shares)	% of holding
Promoters	14,35,320	62.59
Hindu Undivided Family	43,362	1.89
Foreign Banks & NRIs	5,517	0.24
Banks and Financial Institutions	10	0.00
Other Bodies Corporate	84,393	3.68
General Public	7,12,981	31.09
Clearing Members	11,615	0.51
<b>TOTAL</b>	<b>22,93,198</b>	<b>100</b>

- **Dematerialisation of Shares:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. respectively. The shares of the Company are compulsorily traded in the dematerialised form in the Stock Exchange. Presently 97.33% of the equity shares of the Company have been dematerialised.

- **Address for Correspondence :**

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

DIL Limited  
A -1601, Thane One, DIL Complex,  
Ghodbunder Road, Majiwada,  
Thane (West) – 400 610  
Maharashtra, India.  
ISIN: INE225B01021  
Tel No.: + 91 22 66230800  
Fax No.: + 91 22 6798 0899  
Email: [srikant.sharma@dil.net](mailto:srikant.sharma@dil.net)

For and on behalf of the Board of Directors

**Sanjay Buch**  
*Chairman*  
(DIN: 00391436)

Registered Office:  
A – 1601, Thane One,  
'DIL' Complex,  
Ghodbunder Road, Majiwada,  
Thane (West) – 400 610,  
Maharashtra, India.  
August 14, 2018

## CODE OF CONDUCT

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, 2018

for DIL LIMITED

Thane  
August 14, 2018

**KRISHNA DATLA**  
*Managing Director*  
DIN: 00003247



# Annexure IV

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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 Ltd.  
A -1601, Thane One,  
DIL Complex,  
Ghodbunder Road,  
Majiwada, Thane (West),  
Thane - 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 authorised 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, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit period**),
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit period**),
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit period**),
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period);** and

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We have been informed that there are no laws applicable specifically to the Company. Additionally, we have been informed that compliance of various statutes is monitored on monthly basis by the Compliance officer and necessary action is initiated for any non-compliance.

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

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

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

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

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

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

For V.N.DEODHAR & CO.,

V.N.DEODHAR  
PROP.  
FCS NO.1880  
C.P. No. 898

Place: Mumbai  
Date: August 14, 2018

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

# Annexure A

To,  
The Members,  
DIL Ltd.

Our Secretarial Audit Report of even date for the financial year ended 31st March, 2018 is to be read along with this letter.

Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules & Regulations and happening of events, etc.

The Compliance of provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V.N.DEODHAR & CO.,**

**V.N.DEODHAR**

*PROP.*

FCS NO.1880

C.P. No. 898

Place: Mumbai

Date: August 14, 2018

## FINANCIAL SECTION

# Independent Auditor's Report

To The Members of DIL Limited

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of DIL Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 the 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

## Basis for Qualified Opinion

- (i) (a) The Company has: made an investment in equity shares of Rs. 475.00 Lakhs in; given share application money of Rs. 309.86 Lakhs to; and placed an inter-corporate deposit (ICD) of Rs. 22.50 Lakhs with, an associate whose accumulated losses (other equity) at Rs. 1,168.60 Lakhs substantially exceed its equity share capital of Rs. 638.90 Lakhs, as at 31st March, 2018, as per the management prepared financial information. However, the Management of Company has not made any detailed evaluation of impairment in the carrying value of these amounts for the purposes of ascertaining the provision for impairment, if any, that may be required to be made in the standalone Ind AS financial statements.
- (b) Further, in relation to another associate, the Company has an investment in equity shares of Rs. 225.00 Lakhs, where although the net worth has not been eroded, as at 31st March, 2018, as per the management prepared financial information, this net worth includes a significant exposure by way of ICD of Rs. 330.52 Lakhs, to the associate mentioned in para (i)(a) above which raises a doubt on the recoverability of the carrying value of this investment amounting to Rs. 225.00 Lakhs, and the consequential provision for impairment, if any, that may be required to be made in the standalone Ind AS financial statements.

Considering the view of the Management of the Company that these are long term investments and profitability will be achieved by these entities over a period of time, the Management of the Company believes that no impairment is

deemed necessary [See note 50 (b)]. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the matters including the consequential impact, if any, of such impairment on the standalone Ind AS financial statements.

These matters were also qualified in the independent auditor's report issued by the predecessor auditors on the standalone financial statements for the year ended 31st March, 2017.

- (ii) The Company has given share application money of Rs. 597.00 Lakhs to an another entity whose accumulated losses at Rs. 5,203.19 Lakhs, substantially exceed its equity share capital of Rs. 1,920.55 Lakhs, as at 31st March, 2017, as per the latest audited financial statements for the year ended 31st March, 2017 of that entity. Further, the independent auditors of that entity, in their audit report dated 30th May, 2017, on the aforesaid financial statements, have inter-alia reported that the entity's operations have been suspended since December, 2006, and have also expressed their inability to comment whether that entity can be considered as a "Going Concern" and whether its assets would be adequate to meet its liabilities [See note 50 (c)]. For the reasons stated in the said note 50 (c), the Management of the Company believes that no impairment is deemed necessary. Having regard to the foregoing and in the absence of sufficient appropriate audit evidence, we are unable to comment whether the aforesaid outstanding share application money would be recoverable including the consequential impact, if any, of such impairment that may be required to be made in the standalone Ind AS 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 matters described under the 'Basis for Qualified Opinion' section above, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, its total comprehensive loss, its cash flows and its changes in equity for the year ended on that date.

### Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016, included in these standalone Ind AS financial statements have been prepared by the Management of the Company after adjusting the previously issued standalone financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, to comply with Ind AS. The previously issued standalone financial statement were audited by the predecessor auditors whose reports for the years ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 27th

May, 2016, respectively, expressed a qualified opinion on those standalone financial statements in respect of the matters referred in paragraph (i) under the 'Basis for Qualified Opinion' section above. The adjustments made by the Management of the Company to comply with Ind AS to the previously issued standalone financial statements have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the basis for preparation of the comparative financial information and the transition date opening balance sheet as referred above.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and except for the matters described under the 'Basis for Qualified Opinion' section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the possible effects of the matters described under the 'Basis for Qualified Opinion' section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Except for the possible effects of the matters described under the 'Basis for Qualified Opinion' section above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) The matters described under the 'Basis for Qualified Opinion' section above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated under the 'Basis for Qualified Opinion' section above.
  - h) 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 A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- i) 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, as amended, 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 standalone Ind AS financial statements – Refer note 52 to the standalone Ind AS 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani  
Partner  
(Membership No. 36920)

Place: Mumbai  
Date: 15th May, 2018

## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(h) under the 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 is sufficient and appropriate to provide a basis for our qualified audit opinion on the 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.

### Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the Company's internal financial controls over financial reporting as at 31st March, 2018 in respect of the assessment of impairment in the carrying value of investments, share application monies given

and inter corporate deposits placed wherein the Company does not have relevant internal financial controls in place which could potentially result in recognising these financial assets at a value more than its recoverable amounts and consequential understatement of loss and overstatement of other equity.

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.

### Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described under the 'Basis for Qualified Opinion' paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2018, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company for the year ended 31st March, 2018, and the material weaknesses have affected our opinion on the said standalone Ind AS financial statements of the Company and we have issued a qualified opinion on the standalone Ind AS financial statements.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: 15th May, 2018

Rajesh K. Hiranandani  
Partner  
(Membership No. 36920)

## Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under the 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management of the Company in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered indenture of sale and other documents provided to us by the Management of the Company, we report that, the title deeds, comprising all the immovable properties of land and buildings, disclosed under 'Property, plant and equipment' in the standalone Ind AS financial statements, are held in the name of the Company as at the balance sheet date.

According to the information and explanations given to us, the following immovable properties of land and buildings, disclosed under 'Property, plant and equipment' in the standalone Ind AS financial statements, whose title deeds have been pledged as security for loans given to the Company are not held in the name of the Company based on the confirmations directly received by us from lenders and other documents provided by the Management of the Company and examined by us.

(Rs. In Lakhs)

Particulars	As at 31st March, 2018		Remarks
	Cost or deemed cost	Carrying amount	
<b>Freehold land</b> Located at Village Takwe (Budruk), Tal – Maval District - Pune admeasuring 21.39 Acres	8.06	8.06	The land is held in Trust in the name of the Managing Director and one of the directors of the Company and which has been confirmed by them as at the year end.

- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

- (iii) According to the information and explanations given to us, the Company has granted an unsecured interest free loan repayable on demand to a company covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

- (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the interest of the Company.
- (b) The loan is interest free and schedule of repayment of the principal is not stipulated. In the absence of a repayment schedule, we are unable to comment on the regularity of the receipts of principal amounts.
- (c) Having regard to the repayment term of the loan being on demand and representation made by the management of the Company that there is no demand made by the Company for repayment of the loan, there is no overdue amount remaining outstanding as at the balance sheet date.

According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of grant of loans. The Company has not given any guarantee and have not made any investments covered under section 186 of the Companies Act, 2013, and has not granted any loan covered under section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit to which the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are applicable and hence reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, though there has been a slight delay in few cases.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax and cess on account of disputes as on 31st March, 2018 are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved and unpaid (Rs. In Lakhs)
The Gujarat Sales Tax Act	Sales tax and penalty	Sales Tax Appellate Tribunal	1992-1994	4.34
Central Excise Act, 1944	Service tax and penalty	High Court, Bombay	2000-2001	18.75

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks. The Company has not issued any debentures and has not borrowed from the government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties identified by the Management of the Company and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: 15th May, 2018

Rajesh K. Hiranandani  
Partner  
(Membership No. 36920)

# Standalone Balance Sheet

as at March 31, 2018

(Rs. In Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, plant and equipment	3	1,177.82	813.67	841.90
b) Capital work-in-progress		-	129.73	57.86
c) Investment property	4	8,409.48	8,548.58	8,494.35
d) Intangible assets	5	2.12	2.90	3.78
e) Investments	6			
i) Investments in subsidiaries		10,032.20	1,739.25	1,744.25
ii) Investments in associates		700.00	700.00	525.00
iii) Investments in joint ventures		-	530.00	268.00
(f) Financial assets				
i) Investments	7	7.57	6.45	2,647.20
ii) Loans	9	31.85	32.62	25.36
iii) Share application money	8	906.86	906.86	1,081.86
iv) Other financial assets	10	222.89	101.76	205.87
g) Deferred tax assets	11	-	69.00	-
h) Non-current tax assets (Net)	11A	98.32	28.40	305.14
i) Other non-current assets	12	161.53	139.43	23.52
<b>Total non-current assets</b>		<b>21,750.64</b>	<b>13,748.65</b>	<b>16,224.09</b>
<b>Current assets</b>				
a) Financial assets				
i) Investments	13	105.89	100.45	92.12
ii) Trade receivables	14	28.20	38.72	3.16
iii) Cash and cash equivalents	15	134.89	70.56	272.02
iv) Bank balances other than (iii) above	16	22.26	25.00	27.67
v) Loans	17	8.30	15.43	172.29
vi) Other financial assets	18	69.19	162.80	283.65
b) Other current assets	19	140.29	469.37	140.67
<b>Total current assets</b>		<b>509.02</b>	<b>882.33</b>	<b>991.58</b>
<b>TOTAL ASSETS</b>		<b>22,259.66</b>	<b>14,630.98</b>	<b>17,215.67</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	20	229.32	229.32	229.32
b) Other equity	21	6,242.59	8,731.23	10,444.94
<b>Total equity</b>		<b>6,471.91</b>	<b>8,960.55</b>	<b>10,674.26</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	22	13,201.79	3,425.50	1,381.19
ii) Other financial liabilities	23	533.73	232.64	46.15
b) Provisions	24	71.89	74.58	48.97
c) Other non-current liabilities	25	171.18	89.17	17.83
<b>Total non-current liabilities</b>		<b>13,978.59</b>	<b>3,821.89</b>	<b>1,494.14</b>
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	26	572.50	350.00	244.24
ii) Trade payables	27	179.64	76.14	89.43
iii) Other financial liabilities	28	897.54	1,132.30	4,411.67
b) Provisions	29	16.48	13.18	16.09
c) Other current liabilities	30	143.00	276.92	285.84
<b>Total current liabilities</b>		<b>1,809.16</b>	<b>1,848.54</b>	<b>5,047.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,259.66</b>	<b>14,630.98</b>	<b>17,215.67</b>

See accompanying notes 1 to 54 to the standalone financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

Rajesh K. Hiranandani  
Partner

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

Sanjay Buch  
Chairman

Krishna Datla  
Managing Director

Rajeshwari Datla  
Director

Satish Varma  
Director

Vinayak Hajare  
Director

Sumesh Gandhi  
Chief Financial Officer

Srikant N. Sharma  
Company Secretary

Thane, May 15, 2018

Mumbai, May 15, 2018

## Standalone Statement of Profit and Loss for the year ended March 31, 2018 (Rs. In Lakhs)

Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Income:</b>			
Revenue from operations	31	1,250.83	551.53
Other income	32	37.99	44.95
<b>Total Income</b>		<b>1,288.82</b>	<b>596.48</b>
<b>Expenses:</b>			
Employee benefits expense	33	577.26	563.44
Depreciation and amortisation expense	34	382.64	344.82
Finance costs	35	1,063.43	648.97
Other expenses	36	1,611.96	836.69
<b>Total expenses</b>		<b>3,635.29</b>	<b>2,393.92</b>
<b>Loss before tax</b>		<b>(2,346.47)</b>	<b>(1,797.44)</b>
<b>Tax expense:</b>			
Current tax			
- for the year		-	69.00
- short provision of tax for earlier years		-	32.75
Deferred tax charge/(credit)		69.00	(69.00)
<b>Total tax expense</b>		<b>69.00</b>	<b>32.75</b>
<b>Loss for the year</b>		<b>(2,415.47)</b>	<b>(1,830.19)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan		(5.29)	(6.44)
Fair value change in investment in equity instruments measured at fair value through other comprehensive income		1.12	191.92
<b>Total other comprehensive income / (loss) for the year</b>		<b>(4.17)</b>	<b>185.48</b>
<b>Total comprehensive loss for the year</b>		<b>(2,419.64)</b>	<b>(1,644.71)</b>
<b>Earnings per equity share (nominal value per equity share Rs. 10 each)</b>	37		
Basic (in Rs.)		(105.33)	(79.81)
Diluted (in Rs.)		(105.33)	(79.81)

See accompanying notes 1 to 54 to the standalone financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

Mumbai, May 15, 2018

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

**Sanjay Buch**  
Chairman

**Satish Varma**  
Director

**Srikant N. Sharma**  
Company Secretary

Thane, May 15, 2018

**Krishna Datla**  
Managing Director

**Vinayak Hajare**  
Director

**Rajeshwari Datla**  
Director

**Sumesh Gandhi**  
Chief Financial Officer



## Standalone Cash Flow Statement for the year ended March 31, 2018

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>A. Cash flows from operating activities</b>		
Loss before tax	(2,346.47)	(1,797.44)
Adjustments for:		
Depreciation and amortisation expense	382.64	344.82
Loss on sale of property, plant and equipment	5.70	0.32
Provision for impairment of non-current investment in a joint venture	588.00	-
Provision for impairment of non-current investment in a subsidiary	-	5.00
Net gain on sale / fair valuation of investments through profit and loss	(5.45)	(1.48)
Provision for share of loss in a joint venture in excess of cost of investment	13.02	-
Finance costs	1,063.43	648.97
Interest income	(13.10)	(37.44)
Dividend income	(0.05)	(0.05)
Provision for doubtful debts and advances	5.52	-
<b>Operating loss before working capital changes</b>	<b>(306.76)</b>	<b>(837.30)</b>
Movements in working capital :		
Decrease/(increase) in trade receivables	6.18	(35.56)
(Increase)/decrease in other assets	160.59	(196.87)
Increase/(decrease) in trade payables	103.50	(13.29)
Increase/(decrease) in provisions	(17.70)	16.12
Increase in other liabilities	256.39	19.40
	<b>202.20</b>	<b>(1,047.50)</b>
Income taxes paid	(69.92)	134.54
<b>Net cash generated from / (used in) operations (A)</b>	<b>132.28</b>	<b>(912.96)</b>
<b>B. Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment and investment property including capital work-in-progress and intangible assets	(452.85)	(808.45)
Proceeds from disposal of property, plant and equipment	5.23	-
Interest received	6.75	101.37
Purchase of investments		
In a subsidiary	(8,292.95)	-
In a Joint venture	(58.00)	(262.00)
Other current investments		(100.00)
Proceeds from sale/redemption of investments		
Current investments	-	80.00
Non-current investments	-	2,832.67
Dividend received	0.05	0.05
Bank balances not considered as cash and cash equivalents	(107.26)	120.67
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(8,899.03)</b>	<b>1,964.31</b>

## Standalone Cash Flow Statement for the year ended March 31, 2018 (Rs. In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	14,592.50	4,298.76
Repayment of borrowings	(4,744.99)	(4,894.02)
Finance costs	(944.69)	(585.88)
Dividend paid	(60.07)	(60.00)
Dividend distribution tax paid	(11.67)	(11.67)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>8,831.08</b>	<b>(1,252.81)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>64.33</b>	<b>(201.46)</b>
Cash and cash equivalents at the beginning of the year	70.56	272.02
<b>Cash and cash equivalents at the end of the year</b>	<b>134.89</b>	<b>70.56</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.65	2.03
Balances with banks in current account	133.24	68.53
<b>Total cash and cash equivalents (Refer note 16)</b>	<b>134.89</b>	<b>70.56</b>

See accompanying notes 1 to 54 to the standalone financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

Mumbai, May 15, 2018

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

**Sanjay Buch**  
Chairman

**Satish Varma**  
Director

**Srikant N. Sharma**  
Company Secretary

Thane, May 15, 2018

**Krishna Datla**  
Managing Director

**Vinayak Hajare**  
Director

**Rajeshwari Datla**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

# Statement of Changes in Equity for the year ended March 31, 2018

## (a) Equity share capital

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance at the beginning and end of the year	229.32	229.32	229.32

## (b) Other equity

(Rs. In Lakhs)

	Reserves and surplus			Items of Other comprehensive income	Total
	Capital reserve	General reserve	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2016	1,140.00	4,171.15	2,853.10	2,280.69	10,444.94
Loss for the year	-	-	(1,830.19)	-	(1,830.19)
Transfer from retained earnings	-	-	2,466.17	(2,466.17)	-
Payment of dividend (including dividend distribution tax)	-	-	(69.00)	-	(69.00)
Other comprehensive income for the year	-	-	(6.44)*	191.92	185.48
Balance as at March 31, 2017	1,140.00	4,171.15	3,413.64	6.44	8,731.23
Loss for the year	-	-	(2,415.47)	-	(2,415.47)
Other comprehensive income for the year	-	-	(5.29)*	1.12	(4.17)
Payment of dividend (including dividend distribution tax)	-	-	(69.00)	-	(69.00)
Balance as at March 31, 2018	1,140.00	4,171.15	923.88	7.56	6,242.59

\* Represents remeasurement of defined benefit plan

## (c) Total equity

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity [(a)+(b)]	6,471.91	8,960.55	10,674.26

See accompanying notes 1 to 54 to the standalone financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Rajesh K. Hiranandani

Partner

Mumbai, May 15, 2018

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

Sanjay Buch

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Thane, May 15, 2018

Krishna Datla

Managing Director

Vinayak Hajare

Director

Rajeshwari Datla

Director

Sumesh Gandhi

Chief Financial Officer

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## 1. Corporate information

DIL Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Bombay Stock Exchange. The registered office of the Company is located at A- 1601, Thane One, DIL Complex, Ghodhbunder Road, Majiwade, Thane (West) 400610. The Company is engaged in the business of renting properties, motion film production and distribution. The Company also has strategic investments in subsidiaries / associates / Joint venture companies primarily dealing in manufacturing and marketing of bulk drugs and providing services of sporting and health awareness/education activities and motion film production.

## 2. Significant accounting policies

### 2.1 Statement of compliance

These financial statements are separate financial statements of the Company. The Company has prepared financial statements for the year ended March 31, 2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2017. Further, the Company has prepared the opening balance sheet as at April 01, 2016 (the transition date) in accordance with the Ind AS.

For all periods up to and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with the requirements of previous GAAP, which includes Accounting Standards notified under the Companies (Accounting standards) Rules, 2006 (as amended) .

These are the Company's first Ind AS financial statements. Refer note 49 for the details of first-time adoption exemptions availed by the Company.

### 2.2 Basis of preparation and presentation

These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### (a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs are unobservable inputs for the asset or liability.

The Company has consistently applied accounting policies to all periods presented in these financial statements.

#### (b) Operating cycle

Based on the nature of activities of the Company, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### (c) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### (d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (e) Employee Benefits

#### i) Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### ii) Long-term employee benefits:

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**A) Defined contribution plan:** The Company contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and superannuation scheme for eligible employees. The Company has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**B) Defined benefit plans:** The employees' gratuity fund scheme represents defined benefit plans. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) net interest expenses or income; and
- iii) remeasurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### (f) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

#### i) Current tax:

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### (g) Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax, and goods and services tax are excluded from revenue.

#### **Rental income from investment property**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are recognised over the lease term on the same basis as rental income.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Rendering of services:

Revenue from services rendered is recognized pro-rata over the period of the contract in the Statement of profit and loss as the underlying services are performed.

### Revenue from licensing of motion film

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

### Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the life of the financial assets to that asset's net carrying amount on initial recognition.

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

Dividend income is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

### **(h) Property, plant and equipment (PPE)**

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, borrowing costs capitalised for qualifying assets in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the property, plant and equipment are as follows:

Asset Category	Estimated useful life ( in years )
Building	
On freehold land	60
Roads/ hardscaping works	10
Leasehold improvements	30
Plant and equipment	15
Computers (included in plant and equipment)	3
Furniture and fixtures	6
Vehicles	8

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### (i) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 as per the cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its 'investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The estimated useful lives for Investment property are as follows:

Asset Category	Estimated useful life ( in years )
Building	60
Plant and equipment	15

### (j) Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the assets is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of the transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The estimated useful lives of the intangible assets are as follows:

Asset Category	Estimated useful life ( in years )
Computer Software	3-6

### (k) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- in the case of an individual asset, at the higher of the net selling price and the value in use; and
- in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset

## Notes to Standalone Financial Statements for the year ended March 31, 2018

and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss.

### (I) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### Financial assets

##### Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

- 1 Debt instruments at amortised cost
- 2 Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3 Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest revenue calculated using the EIR is included in other income in the Statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

##### Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income,

## Notes to Standalone Financial Statements for the year ended March 31, 2018

impairment losses / reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- 1) The contractual rights to receive cash flows from the asset have expired, or
- 2) The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement; in that case the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

## Notes to Standalone Financial Statements for the year ended March 31, 2018

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed

### **Financial liabilities and equity instruments**

#### **Classification as debts or equity:**

Debts and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Compound financial instruments:**

The components parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substances of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instruments as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retain earnings. No gain or loss is recognized in the Statement of profit and loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity components are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

#### **Financial liabilities:**

##### **Initial recognition and measurement:**

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities fair valued through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities fair valued through profit or loss are recognised immediately in profit or loss.

##### **Subsequent measurement:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

it has been incurred principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in note 44.

### Financial liabilities at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit and loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### (m) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Company as lessor :

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Company as lessee :

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs [see note 2.(d) above]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### (n) Investments in equity instruments of subsidiaries:

Investments in equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

### (o) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows "when the effect of the time value of money is material".

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

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

### (p) Earnings per share

The Company presents basic and diluted earnings per shares data for its equity shares

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

### (q) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash with banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### (r) Operating segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

### (s) Use of estimates and Judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

#### Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

#### Useful lives of property, plant and equipment and intangible assets :

The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

#### Assets and obligations relating to employee benefit:

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

Tax expense : [refer note 2(f)]

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Provisions: [refer note 2(o)]

Contingencies (refer note 52)

### (t) Recent Accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Appendix B to Ind AS 21 is expected to be insignificant.

### Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 3 - Property, plant and equipment

(Rs. In Lakhs)

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
Deemed cost as at April 01, 2016	20.79	401.07	113.09	4.95	109.23	192.77	841.90
Additions	-	10.94	17.49	7.89	1.08	-	37.40
Disposals	-	-	(0.32)	-	-	-	(0.32)
Balance as at March 31, 2017	20.79	412.01	130.26	12.84	110.31	192.77	878.98
Additions	-	196.88	110.72	166.70	-	-	474.30
Disposals	-	-	-	-	(10.93)	-	(10.93)
Balance as at March 31, 2018	20.79	608.89	240.98	179.54	99.38	192.77	1,342.35
Accumulated depreciation							
As at April 01, 2016	-	-	-	-	-	-	-
Depreciation expense	-	9.24	11.08	8.93	26.37	9.69	65.31
Balance as at March 31, 2017	-	9.24	11.08	8.93	26.37	9.69	65.31
Depreciation expense	-	12.34	24.12	28.40	24.67	9.69	99.22
Balance as at March 31, 2018	-	21.58	35.20	37.33	51.04	19.38	164.53
Carrying amount							
As at April 01, 2016	20.79	401.07	113.09	4.95	109.23	192.77	841.90
As at March 31, 2017	20.79	402.77	119.18	3.91	83.94	183.08	813.67
As at March 31, 2018	20.79	587.31	205.78	142.21	48.34	173.39	1,177.82

### Note 4 - Investment property

(Rs. In Lakhs)

	Buildings	Plant and equipment	Total
Deemed cost as at April 01, 2016	6,381.54	2,112.81	8,494.35
Additions	232.54	100.32	332.86
Balance as at March 31, 2017	6,614.08	2,213.13	8,827.21
Additions	117.90	25.64	143.54
Balance as at March 31, 2018	6,731.98	2,238.77	8,970.75
Accumulated depreciation			
As at April 01, 2016	-	-	-
Depreciation expense	135.19	143.44	278.63
Balance as at March 31, 2017	135.19	143.44	278.63
Depreciation expense	138.04	144.60	282.64
Balance as at March 31, 2018	273.23	288.04	561.27
Carrying amount			
As at April 01, 2016	6,381.54	2,112.81	8,494.35
As at March 31, 2017	6,478.89	2,069.69	8,548.58
As at March 31, 2018	6,458.75	1,950.73	8,409.48

Also see note 47 to the standalone financial statements

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 5 - Intangible assets

(Rs. In Lakhs)

	Computer software	Total
Deemed cost as at April 01, 2016	3.78	3.78
<b>Balance as at March 31, 2017</b>	<b>3.78</b>	<b>3.78</b>
<b>Balance as at March 31, 2018</b>	<b>3.78</b>	<b>3.78</b>
Accumulated amortisation		
<b>As at April 01, 2016</b>	-	-
Amortisation expense	0.88	0.88
<b>Balance as at March 31, 2017</b>	<b>0.88</b>	<b>0.88</b>
Amortisation expense	0.78	0.78
<b>Balance as at March 31, 2018</b>	<b>1.66</b>	<b>1.66</b>
<b>Carrying amount</b>		
<b>As at April 01, 2016</b>	<b>3.78</b>	<b>3.78</b>
<b>As at March 31, 2017</b>	<b>2.90</b>	<b>2.90</b>
<b>As at March 31, 2018</b>	<b>2.12</b>	<b>2.12</b>

## Note 6 - Investments-Unquoted (Non-current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>i) Investments in subsidiaries- in equity instruments Unquoted (Fully paid up) (At cost less impairment in the value of investments, if any)</b>			
a) Aegean Properties Limited. 30,000 [(March 31, 2017 - 30,000) (April 01, 2016 - 30,000)] Equity shares of Rs. 100 each	30.00	30.00	30.00
b) Fermenta Biotech Limited.* 1,65,92,536 [(March 31, 2017 - 1,27,62,464), (April 01, 2016 - 1,27,62,464)] Equity shares of Rs. 10 each	10,002.20	1,709.25	1,709.25
c) CC Square Films Limited 50,000 [(March 31, 2017 - 50,000) (April 01, 2016 - 50,000)] Equity shares of Rs. 10 each.	5.00	5.00	5.00
Less: Impairment in the value of investment	(5.00)	(5.00)	-
	<b>10,032.20</b>	<b>1,739.25</b>	<b>1,744.25</b>
Aggregate amount of unquoted investments before impairment	10,037.20	1,744.25	1,744.25
Aggregate amount of impairment in value of investments	5.00	5.00	-

\* During the current year, the Company has acquired 38,30,072 equity shares (Face Value of Rs 10 each) of FBL, representing 21.05% of the issued and paid up equity share capital of FBL from Evolveance for a consideration of Rs. 8,280.00 lakhs. Subsequent to transfer of equity shares, the Company's holding in FBL has increased to 91.20% of the total shareholding.

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ii) Investment in associates - In equity instruments Unquoted (Fully paid up) (At cost less impairment in value of investments, if any)</b>			
a) Health and Wellness India Private Limited (Refer note 50) 30,12,504 [(March 31, 2017 - 30,12,504) (April 01, 2016 - 30,12,504)] Equity shares of Rs. 10 each	475.00	475.00	475.00
b) Zela Wellness Private Limited (Refer note 50) 1,03,234 [(March 31, 2017 - 1,03,234) (April 01, 2016 - 19,600)] Equity shares of Rs. 10 each	225.00	225.00	50.00
	<b>700.00</b>	<b>700.00</b>	<b>525.00</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 6 - Investments-Unquoted (Non-current) (contd.)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>iii) Investment in joint ventures</b>			
a) VasKo Glider s.r.o	-	188.51	188.51
b) Agastya Films LLP	588.00	530.00	268.00
Less: Impairment in the value of investment	(588.00)	(188.51)	(188.51)
	-	<b>530.00</b>	<b>268.00</b>
Aggregate amount of investment before impairment	588.00	718.51	456.51
Aggregate amount of impairment in value of investments	588.00	188.51	188.51

Note: the list of subsidiaries, joint ventures and associates along with proportion of ownership interest held and country of incorporation are disclosed in note 47 of the Consolidated Financial Statements

### Note 7 - Investments (Non-current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Equity instruments:</b>			
<b>Unquoted Investment (all fully paid up)</b>			
Investments in equity instruments at FVTPL			
Biodil Marsing Private Limited	5.90	5.90	5.90
59,000 [(March 31, 2017 - 59,000) (April 01, 2016 - 59,000)] Equity shares of Rs. 10 each			
Less: Provision for diminution in the value of investments	(5.90)	(5.90)	(5.90)
<b>Total aggregate unquoted Investment (A)</b>	-	-	-
<b>Quoted Investment (all fully paid)</b>			
Investments in equity instruments at FVTOCI			
a) Abbott India Limited	7.57	6.45	6.54
139 [(March 31, 2017 - 139) (April 01, 2016 - 139)] Equity shares of Rs. 10 each			
b) Syngene International Limited	-	-	2,640.66
Nil [(March 31, 2017 - Nil) (April 01, 2016 - 6,87,224)] Equity shares of Rs. 10 each.			
<b>Total aggregate quoted investments (B)</b>	<b>7.57</b>	<b>6.45</b>	<b>2,647.20</b>
<b>Total Non-current investments (A+B)</b>	<b>7.57</b>	<b>6.45</b>	<b>2,647.20</b>
Aggregate carrying value of unquoted investment before impairment	5.90	5.90	5.90
Aggregate amount of impairment in value of investment	5.90	5.90	5.90
Aggregate book value of quoted investments	7.57	6.45	2,647.20
Aggregate market value of quoted investments	7.57	6.45	2,647.20

### Note 8 - Share application money (Refer note 50)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Health and Wellness India Private Limited	309.86	309.86	309.86
Zela Wellness Private Limited	-	-	175.00
Noble Explochem Limited	597.00	597.00	597.00
	<b>906.86</b>	<b>906.86</b>	<b>1,081.86</b>



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 9 - Loans (Non-current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Loans to employees	31.85	32.62	25.36
	<b>31.85</b>	<b>32.62</b>	<b>25.36</b>

## Note 10 - Other financial assets (Non-current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits	100.89	89.76	75.87
Bank deposits with remaining maturity of more than 12 months* (Refer note 16)	122.00	12.00	130.00
	<b>222.89</b>	<b>101.76</b>	<b>205.87</b>

\* This includes deposits,

held in the form of Debt Security Reserve (DSR) with Kotak Bank Limited	110.00	-	-
kept for fund based bank guarantee with Union Bank of India	12.00	12.00	-
held in the form of Debt Security Reserve (DSR) with Axis Bank Limited	-	-	130.00

## Note 11 - Deferred tax asset

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
MAT credit entitlement	-	69.00	-
	<b>-</b>	<b>69.00</b>	<b>-</b>

## Note 11A - Non-current tax assets (Net)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance income-tax (Net of provision for taxation)	98.32	28.40	305.14
	<b>98.32</b>	<b>28.40</b>	<b>305.14</b>

## Note 12 - Other non-current assets

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Advance for supply of goods and services</b>			
Unsecured, considered good*	23.07	28.52	19.77
Unsecured, considered doubtful	19.01	19.01	19.01
	<b>42.08</b>	<b>47.53</b>	<b>38.78</b>
Less: Allowance for doubtful advances	19.01	19.01	19.01
	<b>23.07</b>	<b>28.52</b>	<b>19.77</b>
Prepaid expenses	134.71	107.16	-
Balances with government authorities	3.75	3.75	3.75
	<b>138.46</b>	<b>110.91</b>	<b>3.75</b>
	<b>161.53</b>	<b>139.43</b>	<b>23.52</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 13 - Investments (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In Mutual funds*			
Unquoted investments (Unit of Rs. 10 each fully paid)			
a) Union KBC Dynamic Bond Fund - Growth	-	-	33.27
Nil [(March 31, 2017 - Nil) (April 01, 2016 - 2,27,324.392)] units			
b) Union KBC Capital Protection Oriented Fund Series 5 - Regular Plan - Growth	-	-	58.85
Nil [(March 31, 2017 - Nil) (April 01, 2016 - 5,00,000)] units			
c) Union Capital Protection Oriented Fund - Series 7	105.89	100.45	-
10,00,000 [(March 31, 2017 - 10,00,000) (April 01, 2016 - Nil)] units			
	<b>105.89</b>	<b>100.45</b>	<b>92.12</b>

\* Investments in mutual funds have been fair valued at the closing net asset value (NAV).

### Note 14 - Trade receivables (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Due by a firm in which director is a partner	2.24	-	0.57
Due by others	25.96	38.72	2.59
Unsecured, considered doubtful	4.34	-	5.97
Less: Allowance for doubtful debts	(4.34)	-	(5.97)
	<b>28.20</b>	<b>38.72</b>	<b>3.16</b>
<b>Movement of allowance for doubtful debts</b>			
Balance at the beginning of the year	-	5.97	5.97
Addition during the year	4.34	-	-
Reversal during the year	-	5.97	-
Balance at the end of the year	4.34	-	5.97

### Note 15 - Cash and cash equivalents

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks in current accounts	133.24	68.53	270.16
Cash on hand	1.65	2.03	1.86
	<b>134.89</b>	<b>70.56</b>	<b>272.02</b>

### Note 16 - Bank balances other than cash and cash equivalents

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Earmarked balances with banks			
Unpaid dividend accounts	22.26	25.00	27.67
In deposit accounts with remaining maturity of more than 12 months * (Refer note below)	122.00	12.00	130.00
	<b>144.26</b>	<b>37.00</b>	<b>157.67</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 16 - Bank balances other than cash and cash equivalents (contd.)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Amount disclosed under other non-current financial assets (Refer note 10)	(122.00)	(12.00)	(130.00)
	<b>22.26</b>	<b>25.00</b>	<b>27.67</b>
* This includes deposits			
- held in the form of Debt Security Reserve (DSR) with Kotak Bank Limited	110.00	-	-
- kept for fund based bank guarantee with Union Bank of India	12.00	12.00	-
- held in the form of Debt Security Reserve (DSR) with Axis Bank Limited	-	-	130.00

### Note 17 - Loans (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
Loans to related parties (Refer notes 41 and below)	-	-	157.50
Loans to employees	8.30	15.43	14.79
	<b>8.30</b>	<b>15.43</b>	<b>172.29</b>
<b>Loans to related parties include</b>			
Amount outstanding as at the year end			
- Fermenta Biotech Limited	-	-	157.50
Maximum amount outstanding during the year			
- Fermenta Biotech Limited	-	157.50	232.50
- This loan has been granted to Fermenta Biotech Limited for the purpose of their business.			

### Note 18 - Other financial assets (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest accrued	11.99	5.64	95.21
Advances recoverable in cash or kind			
Unsecured, considered good*	57.20	157.16	188.44
Unsecured, considered doubtful	1.18	-	-
	<b>58.38</b>	<b>157.16</b>	<b>188.44</b>
Less: Allowances for doubtful advances	(1.18)	-	-
	<b>69.19</b>	<b>162.80</b>	<b>283.65</b>
* includes amount given as an inter-corporate deposit to an associate			
Amount outstanding as at the year end [Refer note 50 (b)]			
- Health and Wellness India Private Limited	22.50	-	-
Maximum amount outstanding during the year			
- Health and Wellness India Private Limited	22.50	-	-
This loan has been granted to Health and Wellness India Private Limited for the purpose of their business.			

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 19 - Other current assets

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
Capital advances	50.13	292.07	133.20
Prepaid expenses	85.58	39.79	7.47
Balances with statutory / government authorities	4.58	137.51	-
	<b>140.29</b>	<b>469.37</b>	<b>140.67</b>

## Note 20 - Equity share capital

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised share capital:</b>			
49,20,000 (March 31, 2017 - 49,20,000) (April 01, 2016 - 49,20,000) Equity shares of Rs. 10/- each	492.00	492.00	492.00
80,000 (March 31, 2017 - 80,000) (April 01, 2016 - 80,000) Unclassified shares of Rs. 10/- each	8.00	8.00	8.00
	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid up shares:</b>			
22,93,198 (March 31, 2017 - 22,93,198) (April 01, 2016 - 22,93,198) Equity shares of Rs. 10/- each.	229.32	229.32	229.32
	<b>229.32</b>	<b>229.32</b>	<b>229.32</b>

### a) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Equity shares of Rs. 10/- each fully paid	No of shares in lakhs	% holding in the class	No of shares in lakhs	% holding in the class	No of shares in lakhs	% holding in the class
DVK Investments Private Limited, the holding company	12.36	53.91%	12.36	53.91%	12.36	53.91%
Mr. Krishna Datla	1.99	8.68%	1.99	8.68%	1.99	8.68%

### b) Shares held by holding company

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

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
DVK Investments Private Limited			
12,36,235 (March 31, 2017 - 12,36,235) (April 01, 2016 - 12,36,235) Equity shares of Rs. 10/-each fully paid	123.62	123.62	123.62

### c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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, 2018, the amount of per share dividend recommended by the Board of Directors for distribution to equity shareholders is Rs. 2.50 (March 31, 2017: Rs. 2.50/-)

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

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 20 - Equity share capital (contd.)

### d) Reconciliation of shares outstanding at the beginning and at the end of the year

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.

## Note 21- Other equity

(Rs. In Lakhs)

	Reserves and Surplus			Items of Other comprehensive income	Total
	Capital reserve	General Reserve	Retained Earnings	equity instruments through OCI	
Balance as at April 01, 2016	1,140.00	4,171.15	2,853.10	2,280.69	10,444.94
Loss for the year	-	-	(1,830.19)	-	(1,830.19)
Transfer from retained earnings	-	-	2,466.17	(2,466.17)	-
Payment of dividend (including dividend distribution tax)	-	-	(69.00)	-	(69.00)
Other comprehensive income for the year	-	-	(6.44)*	191.92	185.48
Balance as at March 31, 2017	1,140.00	4,171.15	3,413.64	6.44	8,731.23
Loss for the year	-	-	(2,415.47)	-	(2,415.47)
Other comprehensive income for the year	-	-	(5.29)*	1.12	(4.17)
Payment of dividend (including dividend distribution tax)	-	-	(69.00)	-	(69.00)
Balance as at March 31, 2018	1,140.00	4,171.15	923.88	7.56	6,242.59

\* Represents remeasurement of defined benefit plan

### Description of nature and purpose of each reserve

**Capital reserve:** Capital reserve was created in the financial year 1995-96 and 1996-97 pursuant to sale of the Company's brands for which non compete fees were received and treated as a capital receipt.

**General reserve:** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

**Retained earnings:** Profits generated by the Company that are not distributed to shareholders as dividends but are reinvested in the business.

**Equity instruments through other comprehensive income:** This represents the cumulative gains / losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option.

## Note 22 - Long-term borrowings

(Rs. In Lakhs)

Secured	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Non Current	Current	Non Current	Current	Non Current	Current
Secured						
Term loan						
From banks						
Loan against lease rental (Discounting Loan) for Ceejay House Property [Refer note below (a)]	-	-	-	-	1,368.95	93.24
For Thane One [Refer note below (b)]	-	-	3,421.84	643.00	-	-
For Thane One [Refer note below (c)]	-	-	-	-	-	3,450.00
For vehicles [Refer note below (d)]	-	3.66	3.66	8.57	12.24	11.16

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 22 - Long-term borrowings (contd.)

(Rs. In Lakhs)

Secured	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Non Current	Current	Non Current	Current	Non Current	Current
<b>From others</b>						
For business operations [Refer note below (e)]	3,736.87	172.00	-	-	-	-
For business operations [Refer note below (f)]	4,418.64	324.63	-	-	-	-
For business operations [Refer note below (g)]	5,046.28	-	-	-	-	-
<b>Total</b>	<b>13,201.79</b>	<b>500.29</b>	<b>3,425.50</b>	<b>651.57</b>	<b>1,381.19</b>	<b>3,554.40</b>
Amount disclosed under the head "other current financial liabilities" (Refer note 28)	-	(500.29)	-	(651.57)	-	(3,554.40)
<b>Net amount</b>	<b>13,201.79</b>	<b>-</b>	<b>3,425.50</b>	<b>-</b>	<b>1,381.19</b>	<b>-</b>

- Loan under lease rental discounting (LRD) from Axis Bank Limited was taken during the earlier financial year by securitisation of Ceejay House rentals and carries interest @ 10.75% p.a. The loan was repayable in 111 monthly installments including interest (EMI). Further the said LRD Loan was also secured by way of first charge on Equitable Mortgage of Ceejay House owned by Aegean Properties Limited (APL). Further, the LRD Loan had been guaranteed by the personal guarantee of the managing director of the company and its subsidiary company (APL).
- Term loans for Thane One Building at Majiwade Thane under "Union Liqui Property Scheme" was taken from Union Bank of India during the earlier financial year with interest rates (BR + 3.40%) 12.85% p.a [April 01, 2016 NIL] repayable after 12 months starting September 08, 2017 in seven yearly installments of Rs. 643 Lakhs each. The said term loans were secured by way of first charge on Equitable Mortgage of Land at Thane and Constructions there on. Further, the loan had been guaranteed by the personal guarantee of the managing director of the Company and the holding company, DVK Investment Private Limited.
- Term loans for Thane One Building at Majiwade Thane was taken from Union Bank of India with interest rates (BR + 4.25%) 13.90% p a [April 01, 2016 (BR + 4.25%) 13.90% p.a.] repayable in 12 months starting March 31, 2016 in four quarterly installments. The said term loans were secured by way of first charge on Equitable Mortgage of Land and Constructions there on. Further, the loan had been guaranteed by the personal guarantee of the managing director of the Company and the holding company, DVK Investment Private Limited.
- 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 installments including interest. The loan is secured by hypothecation of vehicles.
- Term loan from Kotak Mahindra Investments Limited under the loan against property (LAP) scheme of Rs. 4000 Lakhs at interest rate of 11.00% p.a. payable in 15 quarterly installments starting from March 31, 2019 and secured by way of equitable Mortgage of Ground, 14,15 and 16 floors of Thane One, land admeasuring approx. 45 acres located at Takwe, Pune (owned by DIL Limited 25 acres and balance 20 acres held in a trust by the managing director of the company and others), and pledge of 30% equity stake of the Company in Fermenta Biotech Limited. Further, the said loan has been guaranteed by the personal guarantee of the managing director of the Company and corporate guarantee of the holding company, DVK Investment Private Limited.
- Term loan of Rs. 5000 Lakhs from Bajaj Finance Limited at the interest rate of 9.52% p.a of which Rs. 2500 Lakhs in the form of top up of LRD on Thane One property (consisting of rentals of 1st floor to 13th floor) and balance Rs. 2500 Lakhs as a term loan secured by equitable mortgage of the premises at Ceejay House owned by Aegean Properties Limited (APL), a wholly owned subsidiary of the Company. Further these loans have been guaranteed by the personal guarantee of the managing director of the Company and the corporate guarantee of the holding company, DVK Investment Private Limited.
- Loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited of Rs. 5000 Lakhs carrying interest @ 9.05% p.a repayable after 156 months in one installment. The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor). Further the LRD Loan has been guaranteed by the personal guarantee of the managing director of the Company and the corporate guarantee of the holding company, DVK Investment Private Limited.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 23 - Other financial liabilities (Non-current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits from tenants	533.73	232.64	46.15
	<b>533.73</b>	<b>232.64</b>	<b>46.15</b>

## Note 24 - Provisions (Non-current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Provision for employee benefits</b>			
Gratuity [Refer note 38]	35.75	32.88	12.75
Compensated absences	36.14	41.70	36.22
	<b>71.89</b>	<b>74.58</b>	<b>48.97</b>

## Note 25 - Other non-current liabilities

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred rent	171.18	89.17	17.83
	<b>171.18</b>	<b>89.17</b>	<b>17.83</b>

## Note 26 - Borrowings (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured</b>			
<u>From Banks</u>			
Cash credit [Refer note (a) below]	-	-	44.24
<u>From Others</u> [Refer note (b) below]			
Inter corporate deposits (ICD) from DVK Investments Pvt Ltd., holding company	200.00	-	-
Inter corporate deposits (ICD) from Allegro Corporate Finance Advisors Pvt Ltd.	372.50	350.00	200.00
	<b>572.50</b>	<b>350.00</b>	<b>244.24</b>

### Notes:

- Cash credit are from Union Bank of India carrying an interest @16.75% (BR+6.85%) p.a.
- ICD's from DVK Investments Pvt Ltd and Allegro Corporate Finance Advisors Pvt Ltd carrying interest at rate of 12% p.a. are repayable on demand.

## Note 27 - Trade payables

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of micro and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	130.23	34.64	50.59
Payable to subsidiary companies	49.41	41.50	38.84
	<b>179.64</b>	<b>76.14</b>	<b>89.43</b>



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 28 - Other financial liabilities (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long-term borrowings (Refer note 22)	500.29	651.57	3,554.40
Current maturities of deposits from tenants	0.20	0.20	253.87
Liability for capital expenditure	89.39	296.08	503.53
Interest accrued but not due on borrowings	200.48	81.74	18.65
Unclaimed dividends	22.26	25.00	27.67
Due to others	84.92	77.71	53.55
	<b>897.54</b>	<b>1,132.30</b>	<b>4,411.67</b>

### Note 29 - Provisions (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Provision for employee benefits</b>			
Compensated absences	3.46	13.18	16.09
	<b>3.46</b>	<b>13.18</b>	<b>16.09</b>
<b>Other provisions</b>			
Share of losses of a joint venture	13.02	-	-
	<b>13.02</b>	<b>-</b>	<b>-</b>
	<b>16.48</b>	<b>13.18</b>	<b>16.09</b>

### Note 30 - Other current liabilities

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory dues	50.15	24.83	40.02
Deferred rent	59.70	26.89	20.77
Advance from customer	33.15	225.20	225.05
	<b>143.00</b>	<b>276.92</b>	<b>285.84</b>

### Note 31 - Revenue from operations

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Rent Income	997.89	462.24
Amortised deferred rent	38.00	28.97
Service income (Infrastructure support services to tenants)	214.94	60.32
	<b>1,250.83</b>	<b>551.53</b>

### Note 32 - Other income

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest income on financial assets carried at amortised cost:		
Bank deposits	3.13	7.23
Loans	-	5.96
Other financial assets	9.97	4.57

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 32 - Other income (contd.)

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on income tax refund	-	25.64
Net gain arising on financial assets measured at fair value through profit and loss	5.45	0.45
Gain on sale of financial assets measured at fair value through profit and loss	-	1.03
Dividend income on investments in equity: instruments designated at fair value through other comprehensive income	0.05	0.05
Sale of scrap	0.18	0.02
Miscellaneous income	19.21	-
	<b>37.99</b>	<b>44.95</b>

### Note 33 - Employee benefits expense

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and wages	531.29	499.29
Contribution to provident and other funds (Refer note 38)	33.05	33.84
Gratuity expense (Refer note 38)	3.36	15.04
Staff welfare expenses	9.56	15.27
	<b>577.26</b>	<b>563.44</b>

### Note 34 - Depreciation and amortization expense

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation of property, plant and equipment (Refer note 3)	99.22	65.31
Depreciation of investment property (Refer note 4)	282.64	278.63
Amortisation of intangible assets (Refer note 5)	0.78	0.88
	<b>382.64</b>	<b>344.82</b>

### Note 35 - Finance costs

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on		
Term loans and bank overdraft (other than those from related parties)	966.95	610.87
Loans from related parties	16.18	0.69
On liabilities carried at amortised cost (Unwinding of interest)	34.87	20.24
Other charges	45.43	17.17
	<b>1,063.43</b>	<b>648.97</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 36 - Other expenses

(Rs. In Lakhs)

	Year Ended March 31, 2018		Year Ended March 31, 2017	
Electricity charges/fuel		237.90		144.93
Water charges		8.70		9.57
Rates and taxes		65.67		109.43
Rent		53.20		57.18
Insurance		12.19		10.27
Repairs and maintenance:				
Plant and machinery		49.24		46.06
Buildings		5.43		1.86
Others		257.96		148.45
Advertising and sales promotion expenses		14.81		23.23
Travelling and conveyance		21.59		32.47
Legal and professional charges		89.29		116.46
Payment to auditors (Refer note below)		21.07		17.49
Net loss on foreign currency transactions		0.13		-
Communication costs		12.45		11.03
Donation		3.46		5.30
Write-off of an investment	188.51			
Less: Provision for diminution in value of an investment	(188.51)	-		-
Provision for doubtful debts	4.34		5.97	
Bad debts written off	-	4.34	(5.97)	-
Provision for doubtful advances		1.18		-
Directors sitting fees		8.40		4.60
Provision for impairment of non-current investment in a joint venture		588.00		-
Impairment of non-current investment in a subsidiary		-		5.00
Provision for share of loss in a joint venture in excess of cost of investment		13.02		-
Printing and stationery		7.21		6.02
Staff recruitment expenses		0.35		14.99
Net loss on sale of property, plant and equipment		5.70		0.32
Initial cost for operating leases		38.43		9.49
Miscellaneous expenses		92.24		62.54
		<b>1,611.96</b>		<b>836.69</b>

(Rs. In Lakhs)

	Year Ended March 31, 2018		Year Ended March 31, 2017	
<b>Payment to auditors' (excluding statutory levy)</b>				
For audit		8.00		8.00
For tax audit		2.25		2.25
For limited reviews		6.00		6.00
For other services		4.47		0.75
Reimbursement of expenses		0.35		0.49
		<b>21.07 *</b>		<b>17.49 #</b>

\* Includes Rs. 8.92 Lakhs in respect of payments to predecessor auditors.

# Includes Rs. 2.90 Lakhs in respect of payments to other than the predecessor auditors.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 37 - Earnings per share (EPS)

The following table sets forth the computation of basic and diluted earnings per share :

(Rs. In Lakhs)

	For the year ended	
	March 31, 2018	March 31, 2017
Loss for the year used for computation of basic and diluted earnings per share (Rs. in Lakhs)	(2,415.47)	(1,830.19)
Weighted average number of equity shares used in calculating basic and diluted EPS	22,93,198	22,93,198
Basic earnings per equity share [nominal value of share Rs. 10 (2017: Rs. 10)]	(105.33)	(79.81)
Diluted earnings per equity share [nominal value of share Rs. 10 (2017: Rs. 10)]	(105.33)	(79.81)

## Note 38 - Employee benefits

The Company operates following employee benefit plans

- I Defined contribution plans: Provident fund, and employee state insurance scheme (ESIC)
- II Defined benefit plan: gratuity (funded)
- III Other long term benefit plan: long term compensated absences (unfunded)

A.

(Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I. Defined contribution plan</b>		
The Company operates defined contribution retirement benefit plans for all qualifying employees of the Company. The contribution to defined contribution plan, recognised as expenses in the Statement of profit and loss for the year is as under (Refer note 33).		
Employer's contribution to provident fund	31.21	30.79
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	1.83	3.03
Employer's contribution to labour welfare fund	0.01	0.02
<b>II. Defined benefit plan</b>		
The Company operates a defined benefit plan, viz., gratuity.		
In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund.		

B. (a) Movements in the present value of the defined benefit obligation are as follows:

(Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening defined benefit obligation</b>	94.38	67.04
Interest cost	3.45	2.77
Current service cost	4.73	4.19
Past service cost	1.96	12.19
Benefits paid	(27.64)	(1.05)
Other service cost	-	-
Actuarial (Gain)/Loss on obligations- due to changes in demographic assumptions	-	-
Actuarial (Gain)/Loss on obligations- due to changes in financial assumptions	(10.64)	8.81
Actuarial (Gain)/Loss on obligations- due to changes in experience adjustment	13.06	0.43
<b>Closing defined benefit obligation</b>	<b>79.30</b>	<b>94.38</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 38 - Employee benefits (contd.)

(b) Movements in the fair value of the plan assets are as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets	61.50	54.29
Employer's contributions	5.79	2.40
Interest income	3.70	3.66
Remeasurement (gains)/losses:		
Return on plan assets (excluding amounts included in net interest expense)	0.20	2.20
Benefits paid	(27.64)	(1.05)
Closing fair value of plan assets	43.55	61.50

(c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the financial statements arising from the Company's obligation in respect of its defined benefit obligation plan is as follows: (Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fair value of plan assets	43.55	61.50	54.29
Present value of defined benefit obligation	79.30	94.38	67.04
Amounts recognized in the balance sheet surplus/(deficit)	(35.75)	(32.88)	(12.75)

(d) The amount recognised in Statement of profit or loss in respect of this defined benefit plan is as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	4.73	4.19
Past service cost	1.96	12.19
Net interest cost	(0.25)	(0.89)
Other service cost	(3.08)	(0.45)
Components of defined benefit costs recognised in Statement of profit and loss	3.36	15.04

(e) The amount recognised in other comprehensive income in respect of this defined benefit plan is as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Return on plan assets (excluding amounts included in net interest expense)	(0.20)	(2.20)
Actuarial (gains) / losses arising from changes in other assumptions	3.07	0.54
Actuarial (gains) / losses arising from changes in financial assumptions	(10.64)	8.81
Actuarial (gains) / losses arising from changes in experience adjustments	13.06	0.43
Components of defined benefit costs recognised in other comprehensive income	5.29	6.44

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 38 - Employee benefits (contd.)

#### C. The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Discount rate (per annum)	7.85%	6.85%	7.80%
Salary escalation rate (per annum)	7.00%	7.00%	5.00%
Expected rate of return on plan assets (per annum)	7.50%	7.50%	7.50%
Mortality rate during employment (per annum)	Indian Assured lives Mortality (2006-08)		
Mortality rate after employment (per annum)	1% per annum	1% per annum	1% per annum
Retirement age	58 years	58 years	58 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, 'promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC) .

The expected contributions for defined benefit plan for the next financial year will be in line with FY 2017-18.

#### D. Maturity analysis of projected benefit obligation

(Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
1st following year	20.02	14.93
2nd following year	1.81	0.78
3rd following year	1.90	1.36
4th following year	15.76	1.40
5th following year	1.33	12.74
6th following year	1.77	0.78
7th following year	18.37	0.82
8th following year	2.54	14.23
9th following year	3.05	1.82
10th following year and above	201.28	63.11

#### E. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Insurer managed funds	100%	100%	100%

#### F. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of sensitivity analysis is given below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate (- 0.50%)	6.42%	3.96%
Discount rate (+ 0.50%)	-5.89%	-3.68%
Salary escalation rate (- 0.50%)	-5.97%	-2.10%
Salary escalation rate (+ 0.50%)	6.44%	2.15%

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 38 - Employee benefits (contd.)

This plan typically exposes the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields on government bonds denominated in Indian rupees. If the actual return on plan assets is below this rate, it will create a plan deficit. However, the risk is mitigated by investment in LIC managed fund.

**Interest rate risk :** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's investments.

**Longevity risk :** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### Note 39 - Leases

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Assets taken on operating lease</b>		
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.		
a) Lease payments recognised in the Statement of profit and loss for the year	53.20	57.18

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
b) Future minimum lease income under non cancellable leases in the aggregate and for each of the following periods:			
i) Not later than one year	41.14	10.05	23.11
ii) Later than one year and not later than five years	35.75	0.80	4.09
<b>Assets given on operating lease</b>			

The Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease periods expiring on December 31, 2022.

The Company has also entered into various operating lease agreements for its properties in Thane with original lease periods expiring between 2016 and 2022. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5% every year and 15% after 3 years.

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
c) Rent income recognised in the Statement of profit and loss for the year	997.89	462.24
[Includes rentals on sub-lease of Rs. 46.79 lakhs (March 31, 2017 Rs. 140.22 lakhs)]		



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 39 - Leases (contd.)

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
d) 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	1,409.73	463.93	394.46
ii) Later than one year and not later than five years	1,696.48	759.98	408.59
ii) More than five years	-	-	-

## Note 40 - Segment reporting

The Company has only one reportable segment viz. Renting of properties. Therefore, no separate disclosure on segment information is given in these financial statements.

## Note 41 - Related party disclosures as per Ind AS 24

### A) Names of the related parties and related party relationships

	Country of Incorporation	Proportion of ownership interest as at		
		March 31, 2018	March 31, 2017	April 01, 2016

### a) Names of the related parties where control exists and description of relationships

<b>Holding Company:</b>				
DVK Investments Private Ltd.	India			
<b>Subsidiaries:</b>				
Aegean Properties Ltd	India	100%	100%	100%
CC Square Films Limited	India	100%	100%	100%
Fermenta Biotech Ltd	India	93.72%	72.09%	72.09%
Fermenta Biotech (UK) Limited	United Kingdom	93.72%	72.09%	72.09%
G.I. Biotech Pvt Limited	India	58.58%	45.06%	45.06%

### b) Names of the related parties where there are transactions and description of relationships

<b>Key Management Personnel</b>	<b>Designation</b>
Mr. Krishna Datla	Managing Director
Mr. Satish Varma	Non-executive director
Ms. Rajeshwari Datla	Non-executive director
Mr. Sanjay Buch	Non-executive director
Mr. Vinayak Hajare	Non-executive director
Mr. Sumesh Gandhi - Chief Financial Officer (w.e.f. February 16, 2017)	Chief Financial Officer
Mr. Keshav H. Kashid - Chief Financial Officer (upto February 15, 2017), Thereafter designated as "President Finance" upto October 31, 2017	Chief Financial Officer
Mr. Srikant N. Sharma	Company Secretary

#### Joint Ventures

VasKo Glider s.r.o. (Refer footnote #)  
Agastya Films LLP

#### Associates

Health and Wellness India Private Ltd  
Zela Wellness Private Limited

#### Enterprises under significant influence of key management personnel or their relatives:

Magnolia FNB Private Limited

#### # Footnote:

In view of the accumulated losses of this Joint Venture, there was complete erosion in the value of investment and accordingly, provision for diminution of Rs. 188.51 lakhs was made in the earlier year. During the current year, pursuant to an order dated June 12, 2017 passed by the High court in Prague, Czech Republic, for dissolution of Vaskoglider s.r.o., the Company has written off investment in its books with an intimation to the Reserve Bank of India.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 41 - Related party disclosures as per Ind AS 24

#### B) Related party transactions:

(Rs. In Lakhs)

Sr. No.	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	<b>Loans received back</b>						
	Fermenta Biotech Ltd.	-	-	-	-	-	-
		(-)	(157.50)	(-)	(-)	(-)	(-)
2	<b>Loans received</b>						
	DVK Investments Private Ltd.	200.00	-	-	-	-	-
		(75.00)	(-)	(-)	(-)	(-)	(-)
3	<b>Loans paid back</b>						
	DVK Investments Private Ltd.	-	-	-	-	-	-
		(75.00)	(-)	(-)	(-)	(-)	(-)
4	<b>Share application money refunded by</b>						
	Zela Wellness Private Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(175.00)
5	<b>Interest Income on loan</b>						
	Fermenta Biotech Ltd.	-	-	-	-	-	-
		(-)	(5.96)	(-)	(-)	(-)	(-)
6	<b>Remuneration</b>						
	Mr. Krishna Datla				92.18		
					(92.07)		
	Mr. Keshav H Kashid				-		
					(73.39)		
	Mr. Sumesh Gandhi				55.61		
					(6.56)		
	Mr. Srikant N Sharma				49.64		
					(37.21)		
7	<b>Provision for doubtful advance/trade receivable made</b>						
	CC Square Films Limited.	-	5.52	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
8	<b>Provision for impairment in investment in a joint venture</b>						
	Agastya Films LLP	-	-	588.00	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
9	<b>Provision for share of excess loss of a joint venture</b>						
	Agastya Films LLP	-	-	13.02	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
10	<b>Directors sitting fees</b>						
	Ms. Rajeshwari Datla	-	-	-	1.90	-	-
		(-)	(-)	(-)	(1.00)	(-)	(-)
	Mr. Satish Varma	-	-	-	2.00	-	-
		(-)	(-)	(-)	(0.90)	(-)	(-)

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 41 - Related party disclosures as per Ind AS 24 (contd.)

(Rs. In Lakhs)

Sr. No.	Particulars	Holding company	Subsidiaries	Fellow subsidiary/ joint venture	Key management personnel*	Enterprises owned or significantly influenced by key management personnel or their relatives.	Associates
	Mr. Sanjay Buch	-	-	-	2.20	-	-
		(-)	(-)	(-)	(1.35)	(-)	(-)
	Mr. Vinayak Hajare	-	-	-	2.30	-	-
		(-)	(-)	(-)	(1.35)	(-)	(-)
<b>11</b>	<b>Rent and service income</b>						
	Aegean Properties Ltd.	-	0.30	-	-	-	-
		(-)	(1.23)	(-)	(-)	(-)	(-)
	DVK Investments Private Ltd.	0.30	-	-	-	-	-
		(1.23)	(-)	(-)	(-)	(-)	(-)
	Fermenta Biotech Ltd.	-	154.94	-	-	-	-
		(-)	(54.01)	(-)	(-)	(-)	(-)
	CC Square Films Limited.	-	0.15	-	-	-	-
		(-)	(0.98)	(-)	(-)	(-)	(-)
	Magnolia FNB Private Limited.	-	-	-	-	0.30	-
		(-)	(-)	(-)	(-)	(0.98)	(-)
<b>12</b>	<b>Rent paid</b>						
	Aegean Properties Ltd.	-	18.00	-	-	-	-
		(-)	(18.00)	(-)	(-)	(-)	(-)
<b>13</b>	<b>Other reimbursements paid</b>						
	Fermenta Biotech Ltd.	-	6.74	-	-	-	-
		(-)	(0.76)	(-)	(-)	(-)	(-)
	Aegean Properties Ltd.	-	16.63	-	-	-	-
		(-)	(16.63)	(-)	(-)	(-)	(-)
<b>14</b>	<b>Other reimbursements received</b>						
	Fermenta Biotech Ltd.	-	14.45	-	-	-	-
		(-)	(32.75)	(-)	(-)	(-)	(-)
	CC Square Films Ltd.	-	0.09	-	-	-	-
		(-)	(0.26)	(-)	(-)	(-)	(-)
<b>15</b>	<b>Interest on loan</b>						
	DVK Investments Private Ltd.	16.18	-	-	-	-	-
		(0.69)	(-)	(-)	(-)	(-)	(-)
<b>16</b>	<b>Investment in equity share capital (Refer note 6)</b>						
	Zela Wellness Private Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(175.00)
<b>17</b>	<b>Capital contribution</b>						
	Agastya Films LLP	-	-	326.00	-	-	-
		(-)	(-)	(262.00)	(-)	(-)	(-)

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

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

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 41 - Related party disclosures as per Ind AS 24 (contd.)

#### C) Balance outstanding as at the end of the year :

(Rs. In Lakhs)

	Category of related party	March 31, 2018	March 31, 2017	April 01, 2016
<b>a. Rent and reimbursement Payable</b>				
Aegean Properties Ltd.	Subsidiary	42.14	41.28	28.90
Fermenta Biotech Ltd.	Subsidiary	7.38	0.22	9.95
<b>b. Rent and reimbursement receivables</b>				
Fermenta Biotech Ltd.	Subsidiary	6.76	3.08	3.24
G.I.Biotech Private Ltd.	Subsidiary	-	-	1.25
CC Square Films Ltd	Subsidiary	5.51	5.43	4.05
Agastya Films LLP	Joint Venture	-	-	0.58
<b>c. Provision for doubtful debts</b>				
G.I.Biotech Private Ltd.	Subsidiary	-	-	1.25
CC Square Films Ltd	Subsidiary	5.52	-	-
<b>d. Provision for diminution in value of investments</b>				
VasKo Glider s.r.o.	Joint Venture	-	188.51	188.51
Agastya Films LLP	Joint Venture	588.00	-	-
<b>e. Loans to related parties</b>				
Fermenta Biotech Ltd.	Subsidiary	-	-	157.50
Mr. Srikant N Sharma	Company Secretary	4.80	12.00	-
<b>f. Loans from related parties</b>				
DVK Investments Private Ltd.	Holding company	200.00	-	-
<b>g. Interest accrued receivable</b>				
Fermenta Biotech Ltd.	Subsidiary	-	-	2.83
<b>h. Interest accrued payable</b>				
DVK Investments Private Ltd.	Holding company	16.18	0.69	-
<b>i. Remuneration Payable</b>				
Mr. Srikant N Sharma	Company Secretary	9.72	-	4.38
<b>j. Provision for share of excess loss of a joint venture</b>				
Agastya Films LLP	Joint Venture	13.02	-	-

### Note 42 - Categories of the financial instruments

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Financial assets</b>			
<u>Financial assets measured at fair value through Other comprehensive Income</u>			
Investments in equity instruments - quoted	7.57	6.45	2,647.20
<u>Financial assets measured at fair value through Statement of profit and loss</u>			
Investments in mutual funds - unquoted	105.89	100.45	92.12
<u>Financial assets measured at amortised cost</u>			
(i) Trade receivables	28.20	38.72	3.16
(ii) Cash and cash equivalents	134.89	70.56	272.02
(iii) Bank balances other than (ii) above	22.26	25.00	27.67

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 42 - Categories of the financial instruments (contd.)

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(iv) Share application money	906.86	906.86	1,081.86
(v) Loans to employees and others	40.15	48.05	197.65
(vi) Other financial assets	292.08	264.56	489.52
<b>Total Financial assets</b>	<b>1,537.90</b>	<b>1,460.65</b>	<b>4,811.20</b>
<b>Financial liabilities measured at amortised cost</b>			
(i) Borrowings	14,274.58	4,427.07	5,179.83
(ii) Trade payables	179.64	76.14	89.43
(iii) Other financial liabilities	930.98	713.37	903.42
<b>Total Financial liabilities</b>	<b>15,385.20</b>	<b>5,216.58</b>	<b>6,172.68</b>

## Note 43 - Fair value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required : (Rs. In Lakhs)

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Financial assets</b>						
(i) Loans to employees and others	40.15	48.05	197.65	40.15	48.05	197.65
(ii) Share application money	906.86	906.86	1,081.86	906.86	906.86	1,081.86
(iii) Others financial assets	292.08	264.56	489.52	292.08	264.56	489.52
(iv) Trade receivables	28.20	38.72	3.16	28.20	38.72	3.16
(v) Cash and cash equivalents	134.89	70.56	272.02	134.89	70.56	272.02
(vi) Bank balances other than (v) above	22.26	25.00	27.67	22.26	25.00	27.67
<b>Total assets</b>	<b>1,424.44</b>	<b>1,353.75</b>	<b>2,071.88</b>	<b>1,424.44</b>	<b>1,353.75</b>	<b>2,071.88</b>
<b>Financial liabilities</b>						
(i) Borrowings	14,274.58	4,427.07	5,179.83	14,274.58	4,427.07	5,179.83
(ii) Trade payables	179.64	134.11	147.40	179.64	76.14	89.43
(iii) Other financial liabilities	930.98	713.37	903.42	932.07	717.96	912.70
<b>Total liabilities</b>	<b>15,385.20</b>	<b>5,274.55</b>	<b>6,230.65</b>	<b>15,386.29</b>	<b>5,221.17</b>	<b>6,181.96</b>

The financial assets above do not include investments in subsidiaries which are measured at cost, investments in mutual funds measured at fair value through profit and loss and investments in equity instruments measured at fair value through OCI.

Except as detailed in the above table, the Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

## Note 44 - Fair value hierarchy

(Rs. In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
<b>Financial assets measured at fair value through Other comprehensive income</b>						
Investments	7.57	Level 1	6.45	Level 1	2,647.20	Level 1
<b>Financial assets measured at fair value through Other comprehensive income</b>						
Investments in mutual funds	105.89	Level 1	100.45	Level 1	92.12	Level 1

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 45 - Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. Financial instruments are affected by market risk include loans and borrowings and investments in securities.

#### i) Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors review and approve all equity investments. The exposure to unlisted equity securities at fair value and sensitivity analysis of these investments is explained as below.

As at March 31, 2018, there was no investment in equity securities. During the year ended March 31, 2017, the exposure to equity securities at fair value listed on the BSE was Rs. 2,647.20 Lakhs. Given that the changes in fair values of the equity investments held are strongly, positively correlated with changes of the BSE market index, the Company has determined that a decrease of 10% on the BSE market index could have an impact of approximately Rs. 264.72 Lakhs on the income or equity attributable to the Company, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

#### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 80% and 90% of its borrowings at variable rates of interest.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

	(Rs. In Lakhs)	
	Increase/decrease in basis points	Effect on profit before tax
2016	+0.50	25.90
	-0.50	(25.90)
2017	+0.50	22.14
	-0.50	(22.14)
2018	+0.50	71.37
	-0.50	(71.37)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 45 - Financial risk management objectives and policies (contd.)

### b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

#### i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

#### ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. In Lakhs)

As at March 31, 2018	Amount	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	14,274.58	1,072.79	5,913.60	7,288.19	14,274.58
Other financial liabilities	930.98	397.25	533.73	-	930.98
Trade payables	179.64	179.64	-	-	179.64
<b>Total</b>	<b>15,385.20</b>	<b>1,649.68</b>	<b>6,447.33</b>	<b>7,288.19</b>	<b>15,385.20</b>

(Rs. In Lakhs)

As at March 31, 2017	Amount	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	4,427.07	1,001.57	3,425.50	-	4,427.07
Other financial liabilities	713.37	480.73	232.64	-	713.37
Trade payables	134.11	134.11	-	-	134.11
<b>Total</b>	<b>5,274.55</b>	<b>1,616.41</b>	<b>3,658.14</b>	<b>-</b>	<b>5,274.55</b>

(Rs. In Lakhs)

As at April 01, 2016	Amount	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	5,179.83	3,863.47	644.54	671.82	5,179.83
Other financial liabilities	903.42	903.42	-	-	903.42
Trade payables	89.43	89.43	-	-	89.43
<b>Total</b>	<b>6,172.68</b>	<b>4,856.32</b>	<b>644.54</b>	<b>671.82</b>	<b>6,172.68</b>



## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 46 - Capital management

The Company's capital management objectives are:

to ensure the Company's ability to continue as a going concern; and

to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(i) **The gearing ratio at the end of the year was as follows:**

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Debts (Long term and short term borrowings including current maturities of long term borrowings)	14,274.58	4,427.07	5,179.83
Less: Cash and cash equivalents (Note 15)	134.89	70.56	272.02
<b>Net debt</b>	<b>14,139.69</b>	<b>4,356.51</b>	<b>4,907.81</b>
<b>Total equity</b>	<b>6,471.91</b>	<b>8,960.55</b>	<b>10,674.26</b>
<b>Net debt to equity ratio</b>	<b>218.48%</b>	<b>48.62%</b>	<b>45.98%</b>

(ii) **Dividend on equity shares paid during the year**

(Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend on equity shares		
Dividend for the year ended March 31, 2017 of Rs. 2.50 (previous year for year ended March 31, 2016 Rs.2.50) per fully paid share	57.33	57.33
Dividend distribution tax on above	11.67	11.67
Dividends not recognised at the end of the reporting period		

The Board of Directors at its meeting held on May 15, 2018 have recommended payment of final dividend of Rs. 2.50 per share on the face value of Rs. 10 each for the year ended March 31, 2018. The same amounts to Rs. 57.33 Lakhs excluding dividend distribution tax thereon amounting to Rs. 11.67 Lakhs.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meetings and hence not recognised as liability.

### Note 47 - Investment properties

The Company's investment properties consist of Thane One Building Located at Majiwade Thane. Out of the 16 floors, 1 to 15 floors have been considered as Investment property by the Management.

**Criteria used for classification of property as investment property**

The Company has considered the following for classification of property as investment property:

- Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.
- The properties that are not occupied by the Company for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Company has a building which is primarily meant for renting is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Company has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 47 - Investment properties (contd.)

### Estimation of fair value

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment property annually and fair value measurement has been categorised as Level 3. The fair value has been arrived at by using comparable market rate approach. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in village Majiwada area.

### Amount recognised in Statement of profit and loss

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income derived from investment properties	948.40	322.02
Less: Direct operating expenses (including repairs and maintenance) generating rental income	(139.78)	(177.88)
Income arising from investment properties before depreciation	808.62	144.14
Less: Depreciation	(282.64)	(278.63)
Income from investment properties (Net)	525.98	(134.49)

Operating lease arrangements and total future minimum lease rentals receivable (Refer note 39)

The existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal (Refer note 22)

## Note 48 - Income tax

### A Income tax expense recognised in the Statement of profit and loss consists of:

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax:		
- For the year	-	69.00
- Short tax provision for earlier years	-	32.75
Deferred tax charge/(credit)	69.00	(69.00)
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>69.00</b>	<b>32.75</b>
<b>Income tax recognised in other comprehensive income</b>		
- Deferred Tax arising on items recognised in other comprehensive income	-	-
<b>Total</b>	<b>69.00</b>	<b>32.75</b>

### B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before tax	(2,346.47)	(1,797.44)
Enacted income tax rate in India (%) #	33.063%	33.063%
Income tax expense calculated at enacted corporate tax rate	(775.81)	(594.29)
<b>Effect of:</b>		
- Tax on non-deductible expenses	26.98	6.08
Deferred tax assets on carry forward tax loss for the year not recognised.	748.83	588.21
Effect of brought forward unused tax losses of the past on which deferred tax assets were not recognised, offset during the year	-	-
<b>Total income tax expense for the year</b>	<b>-</b>	<b>-</b>
Short tax provision for earlier years	-	32.75
<b>Current tax expense recognised during the year</b>	<b>-</b>	<b>32.75</b>

# The tax rate used for reconciliation above is the corporate tax rate of 33.063% at which the Company is liable to pay tax on taxable income under the Indian tax Laws.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 48 - Income tax (contd.)

C The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows: (Rs. In Lakhs)

Particulars	As at March 31, 2017	For the year ended March 31, 2018		As at March 31, 2018
		Statement of profit and loss	Other comprehensive income	
<b>Deferred tax liabilities</b>				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(321.86)	(203.95)	-	(525.81)
<b>Deferred tax assets</b>				
Expenses claimed for tax purpose on payment basis	18.52	6.54	-	25.06
Allowance for doubtful debts and advances	6.29	1.97	-	8.26
MAT credit entitlement	69.00	(69.00)	-	-
Unabsorbed depreciation/carried forward losses*	297.05	195.44	-	492.49
<b>Deferred tax expense</b>	-	<b>(69.00)</b>	-	
<b>Deferred tax assets (Net)</b>	<b>* 69.00</b>	-	-	-

(Rs. In Lakhs)

Particulars	As at April 01, 2016	For the year ended March 31, 2017		As at March 31, 2017
		Statement of profit and loss	Other comprehensive income	
<b>Deferred tax liabilities</b>				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(85.60)	(236.26)	-	(321.86)
<b>Deferred tax assets</b>				
Expenses claimed for tax purpose on payment basis	16.88	1.64	-	18.52
Allowance for doubtful debts and advances	8.26	(1.97)	-	6.29
MAT credit entitlement	-	69.00	-	69.00
Unabsorbed depreciation/carried forward losses*	60.46	236.59	-	297.05
<b>Deferred tax credit</b>		<b>69.00</b>	-	
<b>Deferred tax assets (Net)</b>	-			<b>* 69.00</b>

\* Deferred tax asset has been recognised to the extent it is probable that the taxable profit will be available in future against which the corresponding unused tax losses/tax credit will be utilised.

D Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following: (Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Tax losses	1,824.06	1,456.83	497.35
Deductible temporary differences			
Unabsorbed depreciation	2,644.74	1,640.72	579.81
Unused tax credits (MAT credit entitlement)			

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 48 - Income tax (contd.)

E The unused tax credits and unused tax losses will expire as per table below

(Rs. In Lakhs)

Financial year wise break up unused tax credits and unused tax losses	Unused tax credits and unused tax losses (Rs.)	Year of expiry
<u>Long Term Capital Losses</u>		
2012-13	101.07	2022-23
2013-14	40.18	2023-24
2014-15	2.22	2024-25
<u>Tax losses</u>		
2016-17	865.72	2026-27
2017-18	814.87	2027-28
<u>Unabsorbed depreciation</u>		
2015-16	579.82	See note below
2016-17	1,060.90	
2017-18	1,004.02	

Note: The unused depreciation can be carried forward and utilised in future without any time limit.

## Note 49 - First-time adoption of Ind AS

The Company has prepared the opening financial statements as per Ind AS as of April 01, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principal is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below:

Set out below are the applicable Ind AS 101 optional exemptions availed and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

### 1. Property, plant and equipment, investment property and intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment investment, property and intangible assets.

### 2. Investment in subsidiaries, associates and joint ventures

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment in subsidiaries, associates and joint ventures recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of its investment in subsidiaries, associates and joint ventures.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 49 - First-time adoption of Ind AS (contd.)

### 3. Estimates

An entity's estimates in accordance with Ind AS, at the date of transition to Ind AS, shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates made to prepare opening balance sheet as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Impairment of financial assets based on expected credit loss model.

### 4. Classification and measurement of financial assets

As required under Ind AS 101 the Company has assessed the classification and measurement of financial assets (investment in unquoted investment) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### 5. Determining whether an arrangement contains a lease

The Company has applied Appendix C "Determining whether an Arrangement contains a Lease" of Ind AS 17 - Leases to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing as on that date.

### 6. Equity investments at FVTOCI

The Company has designated investment in equity shares of Syngene International Limited and Abbott India Limited at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- I. A. Reconciliation of balance sheet as at March 31, 2017
  - B. Reconciliation of total comprehensive income for the year ended March 31, 2017
- II. Reconciliation of equity as at April 01, 2016 and as at March 31, 2017
- III. Adjustments to Statement of cash flows
- IV. Reconciliation of balance sheet as at April 01, 2016 (Transition date)

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 49 - First-time adoption of Ind AS (contd.)

### C.I Effect of Ind AS adoption on the balance sheet as at March 31, 2017:

(Rs. In Lakhs)

	Notes	Regrouped previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, plant and equipment	1	813.67	-	813.67
b) Capital work-in-progress		129.73	-	129.73
c) Investment property	1	8,548.58	-	8,548.58
d) Intangible assets		2.90	-	2.90
e) Investments				
i) Investments in equity instruments of subsidiaries		1,739.25	-	1,739.25
ii) Investments in associates		700.00	-	700.00
iii) Investments in joint ventures		530.00	-	530.00
(f) Financial assets				
i) Investments	2	0.01	6.44	6.45
ii) Loans		32.62	-	32.62
iii) Share application money		906.86	-	906.86
iv) Other financial assets		101.76	-	101.76
g) Deferred tax assets		69.00	-	69.00
h) Non-current tax assets (Net)		28.40	-	28.40
i) Other non-current assets	12	32.27	107.16	139.43
<b>Total non-current assets</b>		<b>13,635.05</b>	<b>113.60</b>	<b>13,748.65</b>
<b>Current assets</b>				
a) Financial assets				
i) Investments	2a	100.00	0.45	100.45
ii) Trade receivables		38.72	-	38.72
iii) Cash and cash equivalents		70.56	-	70.56
iv) Bank balances other than (iii) above		25.00	-	25.00
v) Loans		15.43	-	15.43
vi) Other financial assets	11	221.85	(59.05)	162.80
b) Other current assets	12	446.77	22.60	469.37
<b>Total current assets</b>		<b>918.33</b>	<b>(36.00)</b>	<b>882.33</b>
<b>TOTAL ASSETS</b>		<b>14,553.38</b>	<b>77.60</b>	<b>14,630.98</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital		229.32	-	229.32
b) Other equity	2, 3, 4, 5 and 10	8,497.48	233.75	8,731.23
<b>Total equity</b>		<b>8,726.80</b>	<b>233.75</b>	<b>8,960.55</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	5	3,553.66	(128.16)	3,425.50
ii) Other financial liabilities	3	350.45	(117.81)	232.64
b) Provisions	10	42.84	31.74	74.58
c) Other non-current liabilities	3	-	89.17	89.17
<b>Total non-current liabilities</b>		<b>3,946.95</b>	<b>(125.06)</b>	<b>3,821.89</b>
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings		350.00	-	350.00
ii) Trade payables		134.11	(57.97)	76.14
iii) Other financial liabilities		1,132.30	-	1,132.30
b) Provisions		13.18	-	13.18
c) Other current liabilities (Net)	3	250.04	26.88	276.92
<b>Total current liabilities</b>		<b>1,879.63</b>	<b>(31.09)</b>	<b>1,848.54</b>
<b>Total liabilities</b>		<b>5,826.58</b>	<b>(156.15)</b>	<b>5,670.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,553.38</b>	<b>77.60</b>	<b>14,630.98</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### Note 49 - First-time adoption of Ind AS (contd.)

#### C.II Effect of Ind AS adoption on the Statement of profit and loss for the year ended March 31, 2017:

(Rs. In Lakhs)

	Notes	Regrouped previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Income</b>				
Revenue from operations	3 and 11	581.61	(30.08)	551.53
Other income	2a	56.63	(11.68)	44.95
<b>Total Income</b>		<b>638.24</b>	<b>(41.76)</b>	<b>596.48</b>
<b>Expenses</b>				
Employee benefits expense	6	557.69	5.75	563.44
Depreciation and amortisation expense		344.82	-	344.82
Finance cost	3 and 5	710.09	(61.12)	648.97
Other expenses	12	980.14	(143.45)	836.69
<b>Total expenses</b>		<b>2,592.74</b>	<b>(198.82)</b>	<b>2,393.92</b>
<b>Loss before exceptional item and tax</b>		<b>(1,954.50)</b>	<b>157.06</b>	<b>(1,797.44)</b>
Exceptional item	2	2,466.17	(2,466.17)	-
<b>Profit / (loss) after exceptional item, before prior period adjustment and tax</b>		<b>511.67</b>	<b>(2,309.11)</b>	<b>(1,797.44)</b>
Prior period adjustment	10	16.15	(16.15)	-
<b>Profit / (loss) after exceptional item, and before tax</b>		<b>495.52</b>	<b>(2,292.96)</b>	<b>(1,797.44)</b>
<b>Tax expense:</b>				
Current tax				
- For the year		69.00	-	69.00
- Short provision for tax of earlier years		32.75	-	32.75
Deferred tax charge/(credit)		(69.00)	-	(69.00)
<b>Total tax expense</b>		<b>32.75</b>	<b>-</b>	<b>32.75</b>
<b>Profit / (loss) for the year from continuing operations</b>		<b>462.77</b>	<b>(2,292.96)</b>	<b>(1,830.19)</b>
<b>Other comprehensive income</b>				
(a) Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligation		-	(6.44)	(6.44)
(b) Items that will be reclassified to profit or loss				
Change in fair value of FVOCI investments		-	191.92	191.92
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>185.48</b>	<b>185.48</b>
<b>Total comprehensive loss for the year</b>		<b>462.77</b>	<b>(2,107.48)</b>	<b>(1,644.71)</b>



# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 49 - First-time adoption of Ind AS (contd.)

### C. IB Reconciliation of total comprehensive income for the year ended March 31, 2017:

(Rs. In Lakhs)

Nature of adjustments	Notes	For the year ended March 31, 2017
<b>Net profit as per previous GAAP</b>		462.77
(a) Operating lease rental straight lining in the previous GAAP and initial costs for operating leases.	11	75.39
(b) Measurement of financial liabilities at amortised cost (including unwinding of discounts)	3 and 5	99.09
(c) Prior period adjustments under the previous GAAP	10	3.96
(d) Measurement of equity instrument at fair value through Other Comprehensive Income	2	(2,466.17)
(e) Others	2a and 6	(5.23)
<b>Net loss as per Ind AS</b>		<b>(1,830.19)</b>
Other comprehensive expenses		185.48
<b>Total comprehensive income as per Ind AS</b>		<b>(1,644.71)</b>

### C.II Reconciliation of equity as at March 31, 2017 and April 01, 2016 :

(Rs. In Lakhs)

Nature of adjustments	Notes	As at March 31, 2017	As at April 01, 2016
<b>Equity as per previous GAAP (i)</b>		8,726.80	8,264.03
(a) Operating lease rental straight lining in the previous GAAP and initial costs for operating leases.	10	75.39	-
(b) Measurement of financial liabilities at amortised cost (including unwinding of discounts)	3 and 5	129.93	30.83
(c) Prior period adjustments under the previous GAAP	10	57.97	41.82
(d) Measurement of equity instrument at fair value through Other Comprehensive Income	2	6.43	2,280.69
(e) Others	2a, 4 and 10	(35.96)	56.89
<b>Total Effect of transition to Ind AS</b>		<b>8,960.55</b>	<b>10,674.26</b>
<b>Equity As per Ind AS</b>		<b>8,960.55</b>	<b>10,674.26</b>

### C.III Effect of Ind AS adoption on the Statement of cash flows for the year ended March 31, 2017 :

(Rs. In Lakhs)

	Notes	Regrouped previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Net cash flow from operating activities		(565.27)	(203.33)	(768.60)
Net cash flow from investing activities		1,742.22	235.24	1,977.46
Net cash flow from financing activities		(1,381.07)	(29.25)	(1,410.32)
<b>Net increase in cash and cash equivalents</b>		<b>(204.12)</b>	<b>2.66</b>	<b>(201.46)</b>
Cash and cash equivalents at the beginning of the year		299.69	(27.67)	272.02
<b>Cash and cash equivalents at the end of the year</b>		<b>95.57</b>	<b>(25.01)</b>	<b>70.56</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 49 - First-time adoption of Ind AS (contd.)

### C.IV Effect of Ind AS adoption on the balance sheet as at April 01, 2016:

(Rs. In Lakhs)

	Notes	Regrouped previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, plant and equipment	1	841.90	-	841.90
b) Capital work-in-progress		57.86	-	57.86
c) Investment property	1	8,494.35	-	8,494.35
d) Intangible assets		3.78	-	3.78
e) Investments			-	-
i) Investments in equity instruments of subsidiaries	2a	1,744.25	-	1,744.25
ii) Investments in associates	2a	525.00	-	525.00
iii) Investments in joint ventures	2a	268.00	-	268.00
(f) Financial assets			-	-
i) Investments	2	366.51	2,280.69	2,647.20
ii) Loans		25.36	-	25.36
iii) Share application money		1,081.86	-	1,081.86
iv) Other financial assets		205.87	-	205.87
g) Deferred tax assets		-	-	-
h) Non-current tax assets (Net)	10	305.28	(0.14)	305.14
i) Other non-current assets		33.75	(10.23)	23.52
<b>Total non-current assets</b>		<b>13,953.77</b>	<b>2,270.32</b>	<b>16,224.09</b>
<b>Current assets</b>				
a) Financial assets				
i) Investments	2a	80.00	12.12	92.12
ii) Trade receivables		3.16	-	3.16
iii) Cash and cash equivalents		272.02	-	272.02
iv) Bank balances other than (iii) above		27.67	-	27.67
v) Loans		172.29	-	172.29
vi) Other financial assets	10	299.66	(16.01)	283.65
b) Other current assets		140.67	-	140.67
<b>Total current assets</b>		<b>995.47</b>	<b>(3.89)</b>	<b>991.58</b>
<b>TOTAL ASSETS</b>		<b>14,949.24</b>	<b>2,266.43</b>	<b>17,215.67</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital		229.32	-	229.32
b) Other equity	2, 3, 4, 5 and 10	8,034.71	2,410.23	10,444.94
<b>Total equity</b>		<b>8,264.03</b>	<b>2,410.23</b>	<b>10,674.26</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	5	1,414.90	(33.71)	1,381.19
ii) Other financial liabilities	3	51.88	(5.73)	46.15
b) Provisions	10	34.97	14.00	48.97
c) Other non-current liabilities		17.83	-	17.83
<b>Total non-current liabilities</b>		<b>1,519.58</b>	<b>(25.44)</b>	<b>1,494.14</b>
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings		244.24	-	244.24
ii) Trade payables	10	147.40	(57.97)	89.43
iii) Other financial liabilities	3 and 5	4,403.06	8.61	4,411.67
b) Provisions	4	85.09	(69.00)	16.09
c) Other current liabilities (Net)		285.84	-	285.84
<b>Total current liabilities</b>		<b>5,165.63</b>	<b>(118.36)</b>	<b>5,047.27</b>
<b>Total liabilities</b>		<b>6,685.21</b>	<b>(143.80)</b>	<b>6,541.41</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,949.24</b>	<b>2,266.43</b>	<b>17,215.67</b>

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 49 - First-time adoption of Ind AS (contd.)

### NOTES TO RECONCILIATIONS

#### Note 1: Investment Property

Under the previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost less accumulated depreciation. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it. Accordingly the carrying value of investment property under the previous GAAP has been reclassified to a separate line item on the face of the balance sheet and depreciation provided based on the estimated useful life.

#### Note 2: Fair valuation of investments through other comprehensive income (FVOCI)

Under the previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount. The effect of these changes is an increase in total equity as at April 01, 2016 and March 31, 2017. These changes do not affect profit before tax or total profit for the year ended March 31, 2017 because the investments in are classified as FVOCI.

#### Note 2a: Fair valuation of investments through profit and loss (FVTPL)

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Fair value changes with respect to investments in mutual funds have been recognised in FVTPL.

#### Note 3: Security deposits

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at their fair value. Accordingly, the Company has fair valued the security deposits under Ind AS and disclosed under the head "other current/non-current financial liabilities". The difference between fair value of security deposits and the carrying value (transaction value) as per previous GAAP has been recognised as "deferred rent" and disclosed under the heads "Other current liabilities" and "Other non-current liabilities". The amortisation of deferred rent over the period of lease is charged to the Statement of profit and loss under the head "deferred rent" which is grouped under "Revenue from operations". The notional interest calculated using effective interest method on the fair value of security deposits is debited to the Statement of profit and loss under the head "Finance Costs".

#### Note 4: Proposed dividend (including dividend distribution tax)

Under the previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting.

#### Note 5: Borrowings

Under the previous GAAP, transaction costs incurred towards origination of borrowings were charged off to the statement of profit and loss as incurred, and being classified under finance costs. As required under Ind AS 109, transaction costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being in Long term borrowings and to the extent attributable to current maturity of long term borrowings.

#### Note 6: Remeasurements of defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gain and losses and the return on plan assets, excluding amount included in the net interest expense on the defined benefit liability are recognised in other comprehensive income instead of Statement of profit and loss. Under the previous GAAP, these remeasurements were forming part of the Statement of profit and loss for the year.

#### Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in Statement of profit and loss for the year, unless a standard require or permits otherwise. Items of income and expense that are not recognised in Statement of profit and loss but are shown in the Statements of profit and loss as 'other comprehensive income' included remeasurements of defined benefit obligation and net fair value changed in investments in equity instruments through. The concept of other comprehensive income did not exist under previous GAAP.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 49 - First-time adoption of Ind AS (contd.)

### Note 8: Bank overdrafts

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of Company's cash management system are included in cash and cash equivalents for the purpose of presentation of Statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities.

### Note 9: Statement of cash flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flows for the year ended March 31, 2017 as compared with the previous GAAP.

### Note 10: Restatement of prior period error

Under the previous GAAP, the Company had included a prior period item in the determination of profit for the year ended March 31, 2017. However, in accordance with the requirements of Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS 101 – "First-time Adoption of Indian Accounting Standards", the same has been corrected by restating the retained earnings as at April 01, 2016.

### Note 11: Operating lease rental straight-lining

Under the previous GAAP, the Company recognised lease rental income in the statement of profit and loss on a straight-line basis over the lease term. Under Ind AS, lease rentals are required to be recognised on a straight-line basis unless escalation clauses are structured in line with expected general inflation. In such case, lease rentals shall be recorded based on contractual terms. In case of the Company, since the purpose of escalations is to catch-up with inflation, there is no need to straight line the rental income.

### Note 12: Brokerage expenses which are directly attributable to negotiating and arranging a lease

Under the previous GAAP, the Company recognised brokerage directly attributable to negotiating and arranging a lease in the statement of profit and loss under "other expenses" in the year in which such expenses are incurred. Under Ind AS, such costs are amortised over the lease period and disclosed under "other current assets" and "other non-current assets" as "prepaid expenses".

## Note 50

- a) During the year ended March 31, 2017, Zela Wellness Private Limited (Zela) cancelled the supplementary agreement and decided not to proceed with issue of Non-Cumulative Convertible Preference shares and refunded the Share Application Money of Rs. 175 Lakhs.

During the year ended March 31, 2017, along with other/new investors the Company invested Rs. 175 Lakhs in Zela Wellness Private Limited (Zeal) and acquired 83,634 equity shares of Rs. 10 each, consequently the company's equity holding in Zela Wellness Private Limited (Zela) is 29.50% as against earlier 49%.

- b) The Company has not made any provision for impairment of its exposure in two associates namely Health and Wellness India Private Limited and Zela Wellness Private Limited (Zela) whose aggregate carrying value in standalone financial statements is Rs. 1,032.36 lakhs [comprise of investments in equity instruments of Rs. 700.00 lakhs, share application money of Rs. 309.86 lakhs and other recoverable expenses (ICD) of Rs. 22.50 lakhs] as on 31st March, 2018. In view of the fact that these investments have been made in the recent years, the management is confident that profitability will be achieved by these entities and hence no provision for impairment in respect of these investments is considered necessary.
- c) The Company has not made any provision for share application money of Rs. 597 Lakhs given to Noble Explochem Ltd whose networth has been negative. In View of the proposed revival plan by promoter of Noble Explochem Ltd and considering the large asset it holds, the management is confident of recovery of this amount, hence no provision for impairment is necessary.

# Notes to Standalone Financial Statements for the year ended March 31, 2018

## Note 51 - Commitments

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	364.25	640.71

## Note 52 - Contingent liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the company not acknowledged as debts			
Service tax department raised demand of Rs. 22.50 Lakhs consisting of Service Tax of Rs. 7.50 Lakhs and penalty of Rs. 15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. Company has preferred an appeal to Bombay High Court.	22.50	22.50	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	4.63
	<b>27.13</b>	<b>27.13</b>	<b>27.13</b>

## Note 53

The financial statements were approved for issue by the Board of Directors on May 15, 2018.

## Note 54

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with the financial statements prepared under Ind AS.

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

**Sanjay Buch**  
Chairman

**Satish Varma**  
Director

**Srikant N. Sharma**  
Company Secretary

Thane, May 15, 2018

**Krishna Datla**  
Managing Director

**Vinayak Hajare**  
Director

**Rajeshwari Datla**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

# CONSOLIDATED Financial Statements

# Independent Auditor's Report

To The Members of DIL Limited

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of DIL Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of loss in its associates and its joint venture, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

The Parent's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint venture in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Parent, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. In conducting 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 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 Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the Consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph (a) of the 'Other Matters' section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS Financial Statements.

## Basis for Qualified Opinion

- (i) (a) The Parent has an investment in equity shares of an associate whose accumulated losses (other equity) at Rs. 1,168.60 Lakhs substantially exceed its equity share capital of Rs. 638.90 Lakhs, as at 31st March, 2018, as per the management prepared financial statements and accordingly accounted at Nil value in the Consolidated Ind AS Financial Statements. The Parent has also given share application money of Rs. 309.86 Lakhs and placed an inter-corporate deposit (ICD) of Rs. 22.50 Lakhs in this associate. The share application money included in the Consolidated Ind AS Financial Statements, after making certain adjustments in respect of earlier years, amounts to Rs. 300.69 Lakhs. However, the Management of the Parent has not made any detailed evaluation of impairment in the carrying value of these amounts aggregating Rs. 323.19 Lakhs, for the purposes of ascertaining the provision for impairment, if any, that may be required to be made in the Consolidated Ind AS Financial Statements.



- (b) Further, in relation to an another associate, the Parent has an investment in equity shares whose carrying value as per the consolidated financial statements amounts to Rs. 210.94 Lakhs, where although the net worth, as at 31st March, 2018, has not been eroded as per the management prepared financial statements, this net worth includes a significant exposure, by way of ICD of Rs. 330.52 Lakhs, to the associate mentioned in para (i)(a) above which raises a doubt on the recoverability of the carrying value of this investment amounting to Rs 210.94 lakhs, and the consequential provision for impairment, if any, that may be required to be made in the Consolidated Ind AS Financial Statements.

Considering the view of the Management of the Parent that these are long term investments and profitability will be achieved by these entities over a period of time, the Management of the Parent believes that no impairment is deemed necessary [See note 66(b)]. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the matters including the consequential impact, if any, of such impairment on the Consolidated Ind AS Financial Statements.

These matters were also qualified in the independent auditor's report issued by the predecessor auditors on the Consolidated Financial Statements for the year ended 31st March, 2017.

- (ii) The Parent has given share application money of Rs. 597.00 Lakhs to an another entity whose accumulated losses at Rs. 5,203.19 Lakhs, substantially exceed its equity share capital of Rs. 1,920.55 Lakhs, as at 31st March, 2017, as per the latest audited financial statements for the year ended 31st March, 2017 of that entity. Further, the independent auditors of that entity, in their audit report dated 30th May, 2017, on the aforesaid financial statements, have inter-alia reported that the entity's operations have been suspended since December, 2006, and have also expressed their inability to comment whether that entity can be considered as a "Going Concern" and whether its assets would be adequate to meet its liabilities [See note 66(c)]. For the reasons stated in the said note 66(c), the Management of the Parent believes that no impairment is deemed necessary. Having regard to the foregoing and in the absence of sufficient appropriate audit evidence, we are unable to comment whether the aforesaid outstanding share application money would be recoverable including the consequential impact, if any, of such impairment that may be required to be made in the Consolidated Ind AS Financial Statements.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the

subsidiaries and a joint venture referred to in paragraph (a) under the 'Other Matters' section below, except for the possible effects of the matters described under the 'Basis for Qualified Opinion' section above, the aforesaid Consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2018, and their Consolidated profit, their Consolidated total comprehensive income, their Consolidated cash flows and their Consolidated statement of changes in equity for the year ended on that date.

### Other Matters

- (a) We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of Rs. 120.05 Lakhs as at 31st March, 2018, and total revenues of Rs. 18.00 Lakhs, total profit after tax of Rs. 18.45 Lakhs, total comprehensive income of Rs. 18.45 Lakhs, and net cash inflows/ (outflows) amounting to Rs. Nil for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The above figures are before giving effect of any consolidation adjustments. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of Rs. 601.06 Lakhs and total comprehensive loss of Rs. 601.06 Lakhs for the year ended 31st March, 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Parent and our opinion on the Consolidated Ind AS Financial Statements, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements above and our report on the 'Other Legal and Regulatory Requirements' below is not modified in respect of the above matters with respect to our reliance on the work done by other auditors.

- (b) We did not audit the financial information of a subsidiary, whose financial information reflect total assets of Rs. 38.05 Lakhs as at 31st March, 2018, and total revenues of Rs. Nil, total loss after tax of Rs. 76.40 Lakhs, total comprehensive loss of Rs. 76.40 Lakhs, and net cash outflows amounting to Rs. 3.18 Lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The above figures are before giving effect of any consolidation adjustments. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of Rs. 51.06 Lakhs for the year ended 31st March, 2018, as

considered in the Consolidated Ind AS Financial Statements, in respect of 2 associates, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management of the Parent and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and these associates is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management of the Parent, this financial information are not material to the Group.

Our opinion on the Consolidated Ind AS Financial Statements above is not modified in respect our reliance on this financial information certified by the Management of the Parent [Also see paragraph (i) under the 'Basis for Qualified Opinion' section above which describes our modification in respect of the exposures in the 2 associates referred above].

- (c) (i) The comparative information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 in respect of 3 subsidiaries and a joint venture included in the Consolidated Ind AS Financial Statements have been audited by other auditors, whose reports have been furnished to us by the Management of the Parent and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries and a joint venture made in the Consolidated Ind AS Financial Statements, is based solely on the reports of the other auditors.
- (ii) The comparative financial information of the Group for the year ended 31st March, 2017, which includes its share of loss (net) in its associates and joint venture and the related transition date opening balance sheet as at 1st April, 2016, included in the Consolidated Ind AS Financial Statements, have been prepared by the Management of the Parent after adjusting the previously issued Consolidated financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, to comply with Ind AS. The previously issued Consolidated financial statements were audited by the predecessor auditors whose reports, for the years ended 31st March, 2017 and 31st March, 2016, dated 30th May, 2017 and 27th May, 2016, respectively, expressed a qualified opinion on those financial statements in respect of matters referred in paragraph (i) under the 'Basis for Qualified Opinion' section above and matters referred in paragraph (b) under the 'Other Matters' section above. The adjustments made by

the Management of the Parent to comply with Ind AS to the previously issued Consolidated financial statements, in so far as it relates to the financial information pertaining to the Parent and a subsidiary included in the aforesaid previously issued Consolidated financial statements, have been audited by us.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of the basis for preparation of the comparative financial information and the transition date opening balance sheet as referred above.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial statements of subsidiaries and joint venture companies incorporated in India, referred in the 'Other Matters' section above, we report, to the extent applicable, that:

- (a) We have sought and except for the matters described under the 'Basis for Qualified Opinion' section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- (b) In our opinion, except for the possible effects of the matters described under the 'Basis for Qualified Opinion' section above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- (d) In our opinion, except for the possible effects of the matters described under the 'Basis for Qualified Opinion' section above, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) The matters described under the 'Basis for Qualified Opinion' section above, in our opinion, may have an adverse effect on the functioning of the Parent.

- (f) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the other directors of the Parent and its subsidiaries incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated under the 'Basis for Qualified Opinion' section above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in the Annexure, which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses a qualified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
- (i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and a joint venture – See note 65 to the Consolidated Ind AS Financial Statements.
  - The Group, its associates and a joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: 15th May, 2018

Rajesh K. Hiranandani  
Partner  
(Membership No. 36920)

# Annexure to the Independent Auditor's Report

(Referred to in paragraph 1(h) under the 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of DIL Limited (hereinafter referred to as "the Parent") and its subsidiary companies and joint venture (excluding 2 associates which are unaudited), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 their 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 internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred under the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

### 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.

## Basis for Qualified opinion

With respect to the Parent, according to the information and explanations given to us and based on our audit, material weaknesses have been identified in the Parent's internal financial controls over financial reporting as at 31st March, 2018 in respect of the assessment of impairment in the carrying value of investments, share application monies given and inter corporate deposits placed wherein the Parent does not have relevant internal financial controls in place which could potentially result in recognising these financial assets at a value more than its recoverable amount and consequential understatement of loss and overstatement of other equity.

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.

## Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred under the 'Other Matters' section below, the Parent and its subsidiary companies and joint venture which are companies incorporated in India have, in all material respects, except for the possible effects of the material weaknesses described under the 'Basis for Qualified Opinion' section above on the achievement of the objectives of the control criteria, maintained adequate internal financial controls over financial reporting as of 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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 weaknesses described under the 'Basis for Qualified Opinion' section above on the achievement of the objectives of the control criteria, the Parent's and its subsidiary companies' and joint venture's internal financial controls over financial reporting were operating effectively as of 31st March, 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Group for the year ended 31st March, 2018, and the material weaknesses have affected our opinion on the said consolidated Ind AS financial statements of the Group and we have issued a qualified opinion on the consolidated Ind AS financial statements.

## Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 3 subsidiary companies and a joint venture (excluding 2 associates which are unaudited), which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: 15th May, 2018

Rajesh K. Hiranandani  
Partner  
(Membership No. 36920)

# Consolidated Balance Sheet

as at March 31, 2018

(Rs. In Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, plant and equipment	3	9,063.71	8,434.99	7,834.85
b) Capital work-in-progress		250.08	406.18	591.24
c) Investment property	4	8,049.53	8,182.68	8,130.77
d) Goodwill	5	412.79	413.33	413.33
e) Other intangible assets	6	211.04	132.79	185.31
f) Intangible assets under development		99.50	142.52	3.00
g) Investments				
i) Investments in associates	7	210.94	252.82	9.42
ii) Investments in joint ventures	8	-	529.82	268.00
h) Financial assets				
i) Investments	9	11.69	10.56	2,650.85
ii) Loans	10	38.10	61.86	35.36
iii) Share application money	11	897.68	906.86	1,081.86
iv) Others financial assets	12	479.97	87.87	288.46
i) Deferred tax assets [Refer note 62 (C) (III)]		-	69.00	-
j) Non-current tax assets (Net)	13	106.99	38.77	375.22
k) Other non-current assets	14	602.99	686.80	517.44
<b>Total non-current assets</b>		<b>20,435.01</b>	<b>20,356.85</b>	<b>22,385.11</b>
<b>Current assets</b>				
a) Inventories	15	5,117.88	3,891.38	2,502.05
b) Financial assets				
i) Investments	16	105.89	100.45	92.12
ii) Trade receivables	17	6,871.93	4,457.10	4,300.57
iii) Cash and cash equivalents	18	3,243.69	223.56	451.08
iv) Bank balances other than (iii) above	19	22.26	25.00	27.67
v) Loans	20	9.39	15.43	14.79
vi) Other financial assets	21	90.22	364.61	416.39
c) Other current assets	22	2,765.25	1,348.18	885.31
<b>Total current assets</b>		<b>18,226.51</b>	<b>10,425.71</b>	<b>8,689.98</b>
<b>TOTAL ASSETS</b>		<b>38,661.52</b>	<b>30,782.56</b>	<b>31,075.09</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	23	229.32	229.32	229.32
b) Other equity	24	12,412.82	14,210.59	15,157.46
<b>Equity attributable to owners of the Company</b>		<b>12,642.14</b>	<b>14,439.91</b>	<b>15,386.78</b>
Non-controlling interests		1,098.36	2,847.11	2,566.91
<b>Total equity</b>		<b>13,740.50</b>	<b>17,287.02</b>	<b>17,953.69</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	25	13,536.79	4,031.96	1,744.53
ii) Other financial liabilities	26	365.60	217.62	46.13
b) Provisions	27	272.97	267.03	192.73
c) Deferred tax liabilities (Net) [Refer note 62 (C)(I)]		218.93	273.88	400.58
d) Other non-current liabilities	29	171.18	89.17	17.83
<b>Total non-current liabilities</b>		<b>14,565.47</b>	<b>4,879.66</b>	<b>2,401.80</b>
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	30	2,985.51	3,713.02	2,933.95
ii) Trade payables	31	4,008.60	2,748.93	1,908.92
iii) Other financial liabilities	32	2,332.07	1,686.79	5,275.83
b) Provisions	33	46.69	46.92	51.27
c) Other current liabilities	34	606.19	392.24	394.84
d) Current tax liabilities (Net)	35	376.49	27.98	154.79
<b>Total current liabilities</b>		<b>10,355.55</b>	<b>8,615.88</b>	<b>10,719.60</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,661.52</b>	<b>30,782.56</b>	<b>31,075.09</b>

See accompanying notes 1 to 69 to the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

Rajesh K. Hiranandani  
Partner

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

Sanjay Buch  
Chairman

Satish Varma  
Director

Srikant N. Sharma  
Company Secretary

Thane, May 15, 2018

Krishna Datla  
Managing Director

Vinayak Hajare  
Director

Rajeshwari Datla  
Director

Sumesh Gandhi  
Chief Financial Officer

Mumbai, May 15, 2018

## Consolidated Statement of Profit and Loss for the year ended March 31, 2018 (Rs. In Lakhs)

Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Income:</b>			
Revenue from operations	36	30,297.58	16,568.83
Other income	37	894.84	278.26
<b>Total Income</b>		<b>31,192.42</b>	<b>16,847.09</b>
<b>Expenses:</b>			
Cost of materials consumed	38	8,490.24	8,187.58
Purchases of stock-in-trade		28.80	22.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress	39	(538.92)	(1,377.72)
Excise duty on sale of goods		30.79	155.89
Employee benefits expense	40	3,983.03	3,084.05
Depreciation and amortisation expense	41	1,236.31	1,031.10
Finance costs	42	1,363.38	996.34
Other expenses	43	9,001.85	5,300.49
<b>Total expenses</b>		<b>23,595.48</b>	<b>17,399.94</b>
<b>Profit/(Loss) before tax</b>		<b>7,596.94</b>	<b>(552.85)</b>
<b>Tax expense:</b>			
Current tax			
- For the year		2,108.35	419.97
- Short provision of tax for earlier years		-	31.50
Deferred tax charge/(credit)		4.88	(181.36)
<b>Total tax expense</b>		<b>2,113.23</b>	<b>270.11</b>
<b>Profit/(Loss) for the year before share of loss of associates and joint ventures</b>		<b>5,483.71</b>	<b>(822.96)</b>
- Share of loss of associates		(51.06)	(39.17)
- Share of loss of joint ventures		(601.06)	(0.09)
<b>Profit/(Loss) for the year before non-controlling interests</b>		<b>4,831.59</b>	<b>(862.22)</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
a) (i) Remeasurements of defined benefit plan		5.20	(48.14)
(ii) Income tax relating to remeasurements of defined benefit plan		(3.63)	14.43
b) (i) Net fair value change in investment in equity instruments through other comprehensive income		1.12	192.38
(ii) Income tax relating to fair value change in investment in equity instruments through other comprehensive income		-	(0.09)
<b>Total other comprehensive income for the year</b>		<b>2.69</b>	<b>158.58</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>4,834.28</b>	<b>(703.64)</b>
<b>Profit/(Loss) for the year attributable to:</b>			
- Owners of the Company		3,568.75	(1,142.42)
- Non-controlling interests		1,262.84	280.20
<b>Total other comprehensive income/(loss) for the year</b>		<b>4,831.59</b>	<b>(862.22)</b>
- Owners of the Company		2.69	158.58
- Non-controlling interests		-	-
<b>Total comprehensive income/(loss) for the year attributable to:</b>		<b>2.69</b>	<b>158.58</b>
- Owners of the Company		3,571.45	(983.84)
- Non-controlling interests		1,262.84	280.20
<b>Earnings per equity share (nominal value per equity share Rs. 10 each)</b>	44	<b>4,834.29</b>	<b>(703.64)</b>
Basic (in Rs.)		155.63	(49.82)
Diluted (in Rs.)		155.63	(49.82)

See accompanying notes 1 to 69 to the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

Rajesh K. Hiranandani  
Partner

Mumbai, May 15, 2018

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

Sanjay Buch  
Chairman

Satish Varma  
Director

Srikant N. Sharma  
Company Secretary

Thane, May 15, 2018

Krishna Datla  
Managing Director

Vinayak Hajare  
Director

Rajeshwari Datla  
Director

Sumesh Gandhi  
Chief Financial Officer



## Consolidated Cash Flow Statement for the year ended March 31, 2018

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>A. Cash flows from operating activities</b>		
Profit/(loss) before tax as per Statement of profit and loss	7,596.94	(552.85)
Adjustments for:		
Depreciation and amortisation expense	1,236.31	1,031.10
Net unrealised foreign exchange gain	(261.02)	(50.50)
Loss/(Profit) on sale of Property, Plant and Equipment	(80.42)	9.37
Provision for doubtful debts	444.21	413.36
Provision for doubtful advances	11.18	12.18
Bad debts/Advances Written Off	(5.53)	-
Profit on sale / redemption of current investments	-	(1.03)
Changes in fair value of investment through profit or loss	(5.45)	(0.45)
Finance cost	1,363.38	996.34
Dividend income	(0.30)	(0.25)
<b>Operating profit before working capital changes</b>	<b>10,299.30</b>	<b>1,857.27</b>
<b>Movements in working capital:</b>		
Increase in trade receivables	(2,576.56)	(620.59)
Increase in inventories	(1,226.50)	(1,389.33)
Increase in other assets	(1,475.80)	(254.32)
Increase in trade payables	1,271.16	877.66
Increase/(decrease) in provisions	(2.11)	21.73
Increase/(decrease) in other liabilities	1,464.15	(76.80)
	<b>7,753.64</b>	<b>415.62</b>
Income tax paid	(1,828.06)	(224.60)
<b>Net cash generated from operations (A)</b>	<b>5,925.58</b>	<b>191.02</b>
<b>B. Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment and investment property including capital work-in-progress and intangible assets	(1,952.76)	(1,902.34)
Proceeds from disposal of property, plant and equipment	186.60	1.11
Purchase of investments		
In a joint venture	(58.00)	(262.00)
In a subsidiary	(8,292.95)	-
Proceeds from sale/redemption of investments		
Proceeds of current investments	-	80.00
Purchase of current investments		(100.00)
Proceeds of non current investments	-	2,832.67
Dividend received	0.30	0.25
Bank balances not considered as cash and cash equivalents	2.74	2.67
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(10,114.07)</b>	<b>652.36</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2018 (Rs. In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	14,370.00	4,777.49
Net increase in short term borrowings	886.87	688.86
Repayment of borrowings	(5,056.51)	(5,671.60)
Finance costs	(1,246.69)	(933.96)
Dividend paid (including dividend distribution tax thereon)	(71.74)	(71.67)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>8,881.93</b>	<b>(1,210.88)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>4,693.44</b>	<b>(367.50)</b>
Cash and cash equivalents at the beginning of the year	(1,449.75)	(1,082.25)
<b>Cash and cash equivalents at the end of the year</b>	<b>3,243.69</b>	<b>(1,449.75)</b>
<b>Components of cash and cash equivalents</b>		
<b>Cash and cash equivalents (Refer note 18)</b>		
Cash on hand	4.89	8.45
Balances with banks		
In current account	1,303.38	215.08
In deposits accounts with original maturity for less than 3 months	1,006.14	0.03
In deposits account with original maturity for more than 3 months but less than 12 months	929.28	-
Cash Credit forming part of cash management (Refer note 30)	-	(1,673.31)
<b>Total cash and cash equivalents considered for cash flows</b>	<b>3,243.69</b>	<b>(1,449.75)</b>

See accompanying notes 1 to 69 to the consolidated financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

Mumbai, May 15, 2018

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

**Sanjay Buch**  
Chairman

**Satish Varma**  
Director

**Srikant N. Sharma**  
Company Secretary

Thane, May 15, 2018

**Krishna Datla**  
Managing Director

**Vinayak Hajare**  
Director

**Rajeshwari Datla**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

# Statement of Changes in Equity for the year ended March 31, 2018

## (a) Equity share capital

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance at the beginning and end of the year	229.32	229.32	229.32

## (b) Other equity

(Rs. In Lakhs)

	Reserves and surplus						Items of Other comprehensive income	Total
	Capital reserve	Capital redemption reserve	Gain/ (loss) on dilution	Foreign currency translation reserve	General reserve	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2016	1,140.00	70.00	950.41	-	4,736.70	5,978.33	2,282.02	15,157.46
Loss for the year	-	-	-	-	-	(1,142.42)	-	(1,142.42)
Addition for the year	-	-	107.57	(1.60)	-	-	-	105.97
Transferred to retained earnings on sale of investment	-	-	-	-	-	2,466.17	(2,466.17)	-
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	(69.00)	-	(69.00)
Other comprehensive income for the year	-	-	-	-	-	(33.71)*	192.29	158.58
Balance as at March 31, 2017	1,140.00	70.00	1,057.98	(1.60)	4,736.70	7,199.37	8.14	14,210.59
Profit for the year	-	-	-	-	-	3,568.75	-	3,568.75
Addition for the year	-	-	(5,300.21)	-	-	-	-	(5,300.21)
Transfer to retained earnings [Refer note 47(i)]	-	-	-	1.60	-	(1.60)	-	-
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	(69.00)	-	(69.00)
Other comprehensive income for the year	-	-	-	-	-	1.57*	1.12	2.69
Balance as at March 31, 2018	1,140.00	70.00	(4,242.23)	-	4,736.70	10,699.09	9.26	12,412.82

\*Represents remeasurement of defined benefits plan

## (c) Total equity

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity [(a)+(b)]	12,642.14	14,439.91	15,386.78

See accompanying notes 1 to 69 to the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Rajesh K. Hiranandani

Partner

Mumbai, May 15, 2018

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

Sanjay Buch

Chairman

Satish Varma

Director

Srikant N. Sharma

Company Secretary

Thane, May 15, 2018

Krishna Datla

Managing Director

Vinayak Hajare

Director

Rajeshwari Datla

Director

Sumesh Gandhi

Chief Financial Officer

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## 1. Corporate information

DIL Limited ('DIL' or 'the parent Company') is a public limited Company listed on the Bombay Stock Exchange, having its registered office at A-1601, Thane One's DIL Complex, Thane- 400610, together with its subsidiaries Fermenta Biotech Limited ('FBL'), Fermenta Biotech (UK) Limited ('FBLUK'), Aegean Properties Limited ('APL'), G.I. Biotech Private Limited ('GI BIO'), CC Square Films Limited (CCSL) collectively referred to as 'the Group', is in the business of manufacturing and selling of chemicals primarily bulk drugs and enzymes, renting property and entertainment. The Company's Joint Venture, Agastya Films LLP is in the business of film production.

## 2. Significant accounting policies

### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Upto the year ended March 31, 2017, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 01, 2016. Refer Note 63 for details of first-time adoption exemptions availed by the Group.

### 2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

#### a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### (b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee and
- has the ability to use its power to affect its returns.
- the Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ii) potential voting rights held by the Company, other vote holders or other parties;
- iii) rights arising from other contractual arrangements; and
- iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### (c) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

### (d) Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in 'Other equity' under 'Gain / (Loss) on dilution and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### (e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

of the unit prorata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### (f) Investments in associates and joint ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36, to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed off the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### (g) Foreign currencies

#### Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions.

At the end of each reporting period monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those currency borrowings;
- exchange difference on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income/(loss) and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss. Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

### (h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (i) Employee Benefits

#### i) Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### ii) Long-term employee benefits:

A) **Defined contribution plan:** The Group contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and superannuation scheme for eligible employees. The Group has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

B) **Defined benefit plans:** The employees' gratuity fund scheme represents defined benefit plans. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with the charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- (1) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (2) net interest expenses or income; and
- (3) remeasurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

C) Liabilities recognised in respect of other long term employee benefits are actuarially measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### (j) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

ii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

(k) **Revenue recognition**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Group. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as sales tax, value added tax and Goods and Services Tax are excluded from revenue.

Rental income from investment in property

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are recognised over the lease term on the same basis as rental income.

Sale of Goods:

Revenue from sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the cost incurred or to be incurred in respect of the transactions can be measured reliably.

### Rendering of services:

Revenue from services rendered is recognised pro-rata over the period of the contract as the underlying services are performed.

Infrastructure support services, consists of maintenance of common area in the investment property and supply of essential services. Revenue from such services is recognised in accordance with the terms of the agreement entered into with individual lessees.

### Revenue from licensing of motion film

Revenue from licensing of motion film is recognized in accordance with the terms of the licensing agreement or on provision of the motion film rights, whichever is later.

### Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.

### Export Incentive:

The benefit under the Duty Drawback, Mercantile 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 head "Other Operating Revenue" in the Statement of profit and loss is accounted in the year of export.

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

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

## (I) **Property, plant and equipment (PPE)**

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the property, plant and equipment are as follows:

Asset Category	Estimated useful life (in years)
Buildings	30-60
Lease hold improvements (included in buildings)	5-10
Plant & Equipment	5-20
Office equipment (included in plant and equipment)	5-6
Computers (included in plant and equipment)	3-6
Furniture and fixtures	10
Vehicles	8

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its tangible property, plant and equipment recognised as of the transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (m) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (n) Intangible assets

#### (a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### (b) Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An Internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, all the below stated conditions are fulfilled:

- (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.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the Statement of profit and loss in the period in which they incurred.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the assets is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of the transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The estimated useful lives of the intangible assets are as follows:

Asset Category	Estimated useful life (in years)
Computer softwares	3-6
Product know how	3-5

### (o) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for a reasonable and consistent allocation basis to be identified.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or companies of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss.

### (p) Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

### (q) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

#### Financial assets

##### Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income of the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit or loss. This category generally applies to trade and other receivables.

##### Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

-The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

-Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- 1) The contractual rights to receive cash flows from the asset have expired, or
- 2) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) The Group has transferred substantially all the risks and rewards of the asset, or
  - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement; in that case the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets, and guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flow by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months.

If the Group's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### **Financial liabilities and equity instruments**

#### Classification as debts or equity:

Debts and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### **Financial liabilities:**

#### Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities as at fair value through profit or loss are recognised immediately in profit or loss.

#### Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- a) it has been incurred principally for the purpose of repurchasing it in the near term; or
- b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- c) it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in note 57.

### Financial liabilities at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit and loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## (r) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### The Company as lessor:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### The Company as lessee:

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Groups's general policy on borrowing costs (see note 2.(h) above). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **(s) Investments in subsidiaries:**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

Upon first-time adoption of Ind AS, the Group has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

### **(t) Provisions, contingent liabilities and contingent assets**

Provision are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows "when the effect of the time value of money is material".

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the financial statements of the Group. 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

### **(u) Earnings per share**

The Group presents basic and diluted earnings per shares data for its equity shares

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

**(v) Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**(w) Investments in equity instruments of subsidiaries:**

Investments in equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

Upon first-time adoption of Ind AS, the Group has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**(x) Operating segments:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. ("CODM") of the Parent Company. The chief operating decision maker of the Parent Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

**(y) Cash Dividends to equity holders in the Group**

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(z) Use of estimates and judgements**

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Useful lives of property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Assets and obligations relating to employee benefit:

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

Tax expense: [refer note 2(j)]

The Parent Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Provisions: [refer note 2(t)]

Write down in value of inventories: (refer note 15)

Contingencies (refer note 65)

### **(aa) Recent Accounting pronouncements**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

### **Ind AS 115**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 01, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Group from April 01, 2018.

### **The standard permits two possible methods of transition:**

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 3 - Property, plant and equipment

(Rs. In Lakhs)

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Deemed cost as at April 01, 2016	56.83	3,003.78	4,297.72	76.02	207.73	192.77	7,834.85
Additions	-	160.53	1,132.48	19.34	1.08	-	1,313.43
Disposal	-	(7.92)	(1.37)	-	(1.20)	-	(10.49)
<b>Balance as at March 31, 2017</b>	<b>56.83</b>	<b>3,156.39</b>	<b>5,428.83</b>	<b>95.36</b>	<b>207.61</b>	<b>192.77</b>	<b>9,137.79</b>
Additions	-	622.27	670.74	191.41	71.12	-	1,555.54
Disposal	(1.74)	-	(54.92)	(1.14)	(48.38)	-	(106.18)
<b>Balance as at March 31, 2018</b>	<b>55.09</b>	<b>3,778.66</b>	<b>6,044.65</b>	<b>285.63</b>	<b>230.35</b>	<b>192.77</b>	<b>10,587.15</b>
<b>Accumulated depreciation</b>							
<b>As at April 01, 2016</b>	-	-	-	-	-	-	-
Depreciation expense	-	140.39	478.10	22.34	52.28	9.69	702.80
<b>Balance as at March 31, 2017</b>	-	<b>140.39</b>	<b>478.10</b>	<b>22.34</b>	<b>52.28</b>	<b>9.69</b>	<b>702.80</b>
Depreciation expense	-	190.26	533.77	42.70	44.22	9.69	820.64
<b>Balance as at March 31, 2018</b>	-	<b>330.65</b>	<b>1,011.87</b>	<b>65.04</b>	<b>96.50</b>	<b>19.38</b>	<b>1,523.44</b>
<b>Carrying amount</b>							
<b>As at April 01, 2016</b>	<b>56.83</b>	<b>3,003.78</b>	<b>4,297.72</b>	<b>76.02</b>	<b>207.73</b>	<b>192.77</b>	<b>7,834.85</b>
<b>As at March 31, 2017</b>	<b>56.83</b>	<b>3,016.00</b>	<b>4,950.73</b>	<b>73.02</b>	<b>155.33</b>	<b>183.08</b>	<b>8,434.99</b>
<b>As at March 31, 2018</b>	<b>55.09</b>	<b>3,448.01</b>	<b>5,032.78</b>	<b>220.59</b>	<b>133.85</b>	<b>173.39</b>	<b>9,063.71</b>

Note: Land includes Rs.8.06 lakhs, being cost of land held in trust by the managing director and one of the directors of the Company

## Note 4 - Investment property

(Rs. In Lakhs)

	Buildings	Plant and equipment	Total
Deemed cost as at April 01, 2016	6,108.39	2,022.38	8,130.77
Additions	222.58	96.03	318.61
<b>Balance as at March 31, 2017</b>	<b>6,330.97</b>	<b>2,118.41</b>	<b>8,449.38</b>
Additions	112.85	24.54	137.39
<b>Balance as at March 31, 2018</b>	<b>6,443.82</b>	<b>2,142.95</b>	<b>8,586.77</b>
<b>Accumulated depreciation</b>			
<b>As at April 01, 2016</b>	-	-	-
Depreciation expense	129.40	137.30	266.70
<b>Balance as at March 31, 2017</b>	<b>129.40</b>	<b>137.30</b>	<b>266.70</b>
Depreciation expense	132.13	138.41	270.54
<b>Balance as at March 31, 2018</b>	<b>261.53</b>	<b>275.71</b>	<b>537.24</b>
<b>Carrying amount</b>			
<b>As at April 01, 2016</b>	<b>6,108.39</b>	<b>2,022.38</b>	<b>8,130.77</b>
<b>As at March 31, 2017</b>	<b>6,201.57</b>	<b>1,981.11</b>	<b>8,182.68</b>
<b>As at March 31, 2018</b>	<b>6,182.29</b>	<b>1,867.24</b>	<b>8,049.53</b>

Also see note 61 to the consolidated Ind AS financial statements

## Note 5 - Goodwill

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deemed cost	533.79	534.33	534.33
Accumulated impairment losses	(121.00)	(121.00)	(121.00)
	<b>412.79</b>	<b>413.33</b>	<b>413.33</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 6 - Other intangible assets

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deemed cost as at April 01, 2016	40.89	144.42	185.31
Additions	9.08	-	9.08
Balance as at March 31, 2017	49.97	144.42	194.39
Additions	220.38	3.00	223.38
Balance as at March 31, 2018	270.35	147.42	417.77
Accumulated amortisation			
As at April 01, 2016	-	-	-
Amortisation expense	16.66	44.94	61.60
Balance as at March 31, 2017	16.66	44.94	61.60
Amortisation expense	43.50	101.63	145.13
Balance as at March 31, 2018	60.16	146.57	206.73
Carrying amount			
As at April 01, 2016	40.89	144.42	185.31
As at March 31, 2017	33.31	99.48	132.79
As at March 31, 2018	210.19	0.85	211.04

## Note 7- Investments in associates (Non- current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment in associates - In equity instruments Unquoted (Fully paid up) (At cost less impairment in value of investments, if any)			
a) Health and Wellness India Private Limited [Refer note 66(b)]	-	20.61	9.42
30,12,504 (March 31, 2017 - 30,12,504, April 01, 2016 - 30,12,504) Equity shares of Rs. 10 each			
b) Zela Wellness Private Limited [Refer notes 66(a) and 66(b)]			
1,03,234 (March 31, 2017 - 1,03,234, April 01, 2016 - 19,600) Equity shares of Rs. 10 each	210.94	232.21	-
	210.94	252.82	9.42
<b>Notes:</b>			
The financial information in respect of these associates are not material to the group.			
Proportion of Group's ownership interest in the associates [Refer note 49]			
Accumulated unrecognised share of losses of associates			
Health and Wellness India Private Limited	66.82	-	-
Zela Wellness Private Limited	-	-	130.02
Unrecognised share of losses of associates for the year			
Health and Wellness India Private Limited	-	-	-
Zela Wellness Private Limited	-	-	21.83
Accumulated recognised share of losses of associates			
Health and Wellness India Private Limited	484.19	454.39	465.58
Zela Wellness Private Limited	14.06	-	75.00



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 8 - Investments in joint venture (Non- current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
VasKo Glider s.r.o [Refer note 47 (i)]	-	188.51	188.51
Agastya Films LLP [Refer note 47 (ii)]	588.00	529.82	268.00
Less: Impairment in the value of investments	(588.00)	(188.51)	(188.51)
	-	529.82	268.00
<b>Notes:</b>			
The financial information in respect of these joint ventures are not material to the group [Refer note 47].			
Aggregate amount of investments before impairment	588.00	718.33	456.51
Aggregate amount of impairment in value of investments	588.00	188.51	188.51

### Note 9 - Investments (Non- current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Equity instruments:</b>			
<b>Unquoted Investments (all fully paid up)</b>			
<u>Investments in equity instruments at FVTPL</u>			
Biodil Marsing Private Limited.	5.90	5.90	5.90
59,000 (March 31, 2017 - 59,000, April 01, 2016 - 59,000) Equity shares of Rs. 10 each			
<u>Investments in equity instruments at FVOCI</u>			
Shivalik Solid Waste Management Limited (unquoted)	4.11	4.11	3.65
20,000 (March 31, 2017 - 20,000, April 01, 2016 - 20,000) Equity shares of Rs. 10 each.			
	10.01	10.01	9.55
*Less: Provision for diminution in value of investments	(5.90)	(5.90)	(5.90)
<b>Total aggregate unquoted Investments (A)</b>	<b>4.11</b>	<b>4.11</b>	<b>3.65</b>
<b>Quoted Investments (all fully paid)</b>			
<u>Investments in equity instruments at FVTOCI</u>			
Abbott India Limited	7.58	6.45	6.54
139 (March 31, 2017 - 139, April 01, 2016 - 139) Equity shares of Rs. 10 each			
Syngene International Limited	-	-	2,640.66
Nil (March 31, 2017 - Nil, April 01, 2016 - 6,87,224) Equity shares of Rs. 10 each.			
<b>Total aggregate quoted investments (B)</b>	<b>7.58</b>	<b>6.45</b>	<b>2,647.20</b>
<b>Total Non-current investments (A+B)</b>	<b>11.69</b>	<b>10.56</b>	<b>2,650.85</b>
Aggregate carrying value of unquoted investments before impairment	10.01	10.01	9.55
Aggregate amount of impairment in value of investments	5.90	5.90	5.90
Aggregate book value of quoted investments	7.58	6.45	2,647.20
Aggregate market value of quoted investments	7.58	6.45	2,647.20

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 10 - Loans (Non- current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
Security deposits	-	22.98	-
Loans to employees	38.10	38.88	35.36
<b>Unsecured, considered doubtful</b>			
Inter corporate deposit	267.83	267.83	267.83
Less : provision for doubtful inter corporate deposit	(267.83)	(267.83)	(267.83)
	<b>38.10</b>	<b>61.86</b>	<b>35.36</b>

## Note 11- Share application money

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Health and Wellness India Private Limited [Refer note 66(b)]	300.68	309.86	309.86
Zela Wellness Private Limited [Refer notes 66(a) and 66(b)]	-	-	175.00
Noble Explochem Limited [Refer note 66(c)]	597.00	597.00	597.00
	<b>897.68</b>	<b>906.86</b>	<b>1,081.86</b>

## Note 12 - Others financial assets (Non current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with remaining maturity of more than 12 months* (Refer note 19)	122.00	12.00	130.00
Security deposits	326.61	74.75	153.93
Assets for defined benefits plan	-	-	3.56
Others	31.36	1.12	0.97
	<b>479.97</b>	<b>87.87</b>	<b>288.46</b>
*This consists of deposits:			
- held in the form of Debt Security Reserve (DSR) with Kotak Bank Limited	110.00	-	-
- kept for fund based bank guarantee with Union Bank of India	12.00	12.00	-
- held in the form of Debt Security Reserve (DSR) with Axis Bank Limited	-	-	130.00

## Note 13 - Non-current tax assets (Net)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance income-tax (Net of provision for tax)	106.99	38.77	375.22
	<b>106.99</b>	<b>38.77</b>	<b>375.22</b>

## Note 14 - Other non-current assets

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Capital advances</b>	<b>186.66</b>	<b>248.63</b>	<b>250.94</b>
<b>Advances recoverable in cash or kind</b>			
Unsecured considered good	17.63	23.09	20.66
Unsecured, considered doubtful	19.01	19.01	24.09
	<b>36.64</b>	<b>42.10</b>	<b>44.75</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 14 - Other non-current assets (contd.)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Less: Allowance for doubtful advances	19.01	19.01	24.09
	<b>17.63</b>	<b>23.09</b>	<b>20.66</b>
Unamortised lease premium	215.97	225.82	235.66
Deferred rent	44.27	8.38	4.33
Prepaid expenses	134.71	107.16	-
Balances with government authorities	3.75	3.75	3.75
Others	-	69.97	2.10
	<b>398.70</b>	<b>415.08</b>	<b>245.84</b>
	<b>602.99</b>	<b>686.80</b>	<b>517.44</b>

### Note 15 - Inventories

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials and packing materials [includes stock in transit of Rs. Nil (as at March 31, 2017 Rs. 50.82 Lakhs and as at April 01, 2016 Rs. 78.51 Lakhs)]	1,814.48	1,091.95	1,123.91
Work-in-progress	2,225.09	2,281.79	1,045.33
Finished goods	914.98	319.36	178.10
Stores and spares	163.33	198.28	154.71
	<b>5,117.88</b>	<b>3,891.38</b>	<b>2,502.05</b>

### Note 16 - Investments (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In Mutual funds*			
Unquoted investments (Unit of Rs. 10 each fully paid)			
a) Union KBC Dynamic Bond Fund - Growth	-	-	33.27
Nil [(March 31, 2017 - Nil, April 01, 2016 - 2.27,324.392) units]			
b) Union KBC Capital Protection Oriented Fund Series 5 - Regular Plan - Growth	-	-	58.85
Nil [(March 31, 2017 - Nil, April 01, 2016 - 5,00,000) units]			
c) Union Capital Protection Oriented Fund - Series 7	105.89	100.45	-
10,00,000 (March 31, 2017 - 10,00,000, April 01, 2016 - Nil) units			
	<b>105.89</b>	<b>100.45</b>	<b>92.12</b>

\* Investments in mutual funds have been valued at closing net asset value (NAV).

### Note 17 - Trade receivables

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good	6,871.93	4,457.10	4,300.57
Unsecured, considered doubtful	1,033.63	589.42	182.03
	<b>7,905.56</b>	<b>5,046.52</b>	<b>4,482.60</b>
Less: Allowance for doubtful debts (expected credit loss allowance)	(1,033.63)	(589.42)	(182.03)
	<b>6,871.93</b>	<b>4,457.10</b>	<b>4,300.57</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 17 - Trade receivables (contd.)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Movement in the expected credit loss allowance</b>			
Balance at the beginning of the year	589.42	176.06	182.61
Addition during the year	475.99	413.36	5.99
Reversal during the year	31.78	-	6.57
<b>Balance at the end of the year</b>	<b>1,033.63</b>	<b>589.42</b>	<b>182.03</b>

## Note 18 - Cash and cash equivalents

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks			
In current account	1,303.38	215.08	445.50
In deposits accounts with original maturity for less than 3 months	1,006.14	0.03	0.03
In deposits account with original maturity for more than 3 months but less than 12 months	929.28	-	-
Cash on hand	4.89	8.45	5.55
	<b>3,243.69</b>	<b>223.56</b>	<b>451.08</b>

## Note 19 - Bank balances other than cash and cash equivalents

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Balances with banks</b>			
Unclaimed dividend account	22.26	25.00	27.67
In deposit accounts * (Refer note below)	123.29	165.71	198.68
Out of deposit accounts:	<b>145.55</b>	<b>190.71</b>	<b>226.35</b>
Amount disclosed under other financial assets (non-current) (Refer note 12)	(122.00)	(12.00)	(130.00)
Amount disclosed under other financial assets (Current) (Refer note 21)	(1.29)	(153.71)	(68.68)
	<b>22.26</b>	<b>25.00</b>	<b>27.67</b>

\*This includes deposits

- held in the form of Debt Security Reserve (DSR) with Kotak Bank Limited	110.00	-	-
- kept for fund based bank guarantee with Union Bank of India	12.00	12.00	-
- held in the form of Debt Security Reserve (DSR) with Axis Bank Limited	-	-	130.00
- held under lien against guarantees and other commitments	1.29	153.71	68.68

## Note 20 - Loans (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured, considered good</b>			
Security deposits	1.09	-	-
Loans to employees	8.30	15.43	14.79
	<b>9.39</b>	<b>15.43</b>	<b>14.79</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 21 - Other financial assets (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances recoverable in cash or kind [Refer note 66(b)]	54.37	194.06	213.21
Loans and advances to employees			
Unsecured, considered good	-	11.20	2.51
Unsecured, considered doubtful	11.18	-	-
Less: Allowance for doubtful advances	(11.18)	-	-
Interest accrued	34.56	5.64	92.80
Insurance claim receivable	-	-	39.19
Deposit with remaining maturity upto 12 months* (Refer note 19)	1.29	153.71	68.68
	<b>90.22</b>	<b>364.61</b>	<b>416.39</b>
* held under lien against guarantees and other commitments	1.29	153.71	68.68

### Note 22 - Other current assets

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance for supply of goods and services			
Considered good	228.59	554.69	314.39
Considered doubtful	30.94	30.94	18.76
Less: Allowance for doubtful advances	(30.94)	(30.94)	(18.76)
	-	-	-
Deferred rent	14.27	0.22	1.35
Prepaid expenses	136.28	94.96	58.41
Travel advances to employee	4.78	12.77	13.98
Unamortised lease premium	9.85	9.85	9.85
Exports incentive receivable	838.95	326.30	216.67
Balances with government authorities	1,532.53	348.15	243.95
Others	-	1.24	26.71
	<b>2,765.25</b>	<b>1,348.18</b>	<b>885.31</b>

### Note 23 - Equity share capital

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised:</b>			
49,20,000 (March 31, 2017 - 49,20,000, April 01, 2016- 49,20,000) Equity shares of Rs. 10/- each	492.00	492.00	492.00
80,000 (March 31, 2017 - 80,000, April 01, 2016-80,000) Unclassified shares of Rs. 10/- each	8.00	8.00	8.00
	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>Issued, subscribed and paid-up capital:</b>			
22,93,198 (March 31, 2017 - 22,93,198, April 01, 2016-22,93,198) Equity shares of Rs. 10/- each.	229.32	229.32	229.32
	<b>229.32</b>	<b>229.32</b>	<b>229.32</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 23 - Equity share capital (contd.)

a) Details of shareholders holding more than 5% shares in the Company (Rs. In Lakhs)

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares in lakhs	% holding in the class	No of shares in lakhs	% holding in the class	No of shares in lakhs	% holding in the class
Equity shares of Rs. 10/- each fully paid						
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91%	12.36	53.91%
Mr. Krishna Datla	1.99	8.68%	1.99	8.68%	1.99	8.68%

b) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below. (Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
DVK Investments Private Limited			
12,36,235 (March 31, 2017 -12,36,235, April 01, 2016- 12,36,235)	123.62	123.62	123.62
Equity shares of Rs. 10/-each fully paid			

c) 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.

d) Rights, preference and restrictions

The Company has issued only one class of shares, namely, equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays the dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting. Refer note 60(ii) for dividend on equity shares paid by Parent Company during the year.

## Note 24 - Other equity

(Rs. In Lakhs)

	Reserves and surplus						Items of Other comprehensive income	Total
	Capital reserve	Capital redemption reserve	Gain/(loss) on dilution	Foreign currency translation reserve	General reserve	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2016	1,140.00	70.00	950.41	-	4,736.70	5,978.33	2,282.02	15,157.46
Loss for the year	-	-	-	-	-	(1,142.42)	-	(1,142.42)
Addition for the year	-	-	107.57	(1.60)	-	-	-	105.97
Transferred to retained earnings on sale of investment	-	-	-	-	-	2,466.17	(2,466.17)	-
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	(69.00)	-	(69.00)
Other comprehensive income for the year	-	-	-	-	-	(33.71)*	192.29	158.58
Balance as at March 31, 2017	1,140.00	70.00	1,057.98	(1.60)	4,736.70	7,199.37	8.14	14,210.59
Profit for the year	-	-	-	-	-	3,568.75	-	3,568.75
Addition for the year	-	-	(5,300.21)	-	-	-	-	(5,300.21)
Transfer to retained earnings [Refer note 47(i)]	-	-	-	1.60	-	(1.60)	-	-
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	(69.00)	-	(69.00)
Other comprehensive income for the year	-	-	-	-	-	1.57*	1.12	2.69
Balance as at March 31, 2018	1,140.00	70.00	(4,242.23)	-	4,736.70	10,699.09	9.26	12,412.82

\*Represents remeasurement of defined benefits plan

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 24 - Other equity (contd.)

### Description of nature and purpose of each reserve

**Capital reserve:** Capital reserve was created in the financial years 1995-96 and 1996-97 pursuant to sale of the Company's brands for which non compete fees were received and treated as a capital receipt.

**Capital redemption reserve:** This reserve was created for redemption of preference shares in the financial year 2010-2011 Rs. 70.00 lakhs.

**Unrealised gain on dilution:** This reserve represents unrealised gain/(loss) due to change in the shareholdings in a subsidiary and an associate.

**General Reserve:** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

**Retained earnings:** Profits generated by the Group that are not distributed to shareholders as dividends but are reinvested in the business.

**Equity instruments through other comprehensive income:** This represents the cumulative gains / losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

## Note 25 - Long-term borrowings

(Rs. In Lakhs)

Secured	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Non Current	Current	Non Current	Current	Non Current	Current
<b>Secured</b>						
<b>Term loans</b>						
<b>From banks</b>						
For R & D Thane / registered office [Refer note below (h)]	47.31	84.51	123.68	75.00	30.37	75.00
For Dahej facility [Refer notes below (f) and (g)]	269.04	200.00	472.62	222.19	295.57	466.67
For Loan against lease rentals (Discounting Loan) for Ceejay House Property [Refer note below (c)]	-	-	-	-	1,368.95	93.24
For Business operations [Refer note below (a)]	3,736.87	172.00	-	-	-	-
For Thane One [Refer note below (d)]	-	-	3,421.83	643.00	-	-
For Thane One [Refer note below (e)]	-	-	-	-	-	3,450.00
For Vehicle [Refer note below (j)]	18.65	9.35	4.10	15.55	19.29	19.84
<b>From others</b>						
For Business operations [Refer note below (b2)]	4,418.64	324.63	-	-	-	-
For Business operations [Refer note below (b1)]	5,046.28	-	-	-	-	-
For Dahej facility [Refer note below (i)]	-	-	-	-	-	33.49
For R & D Thane [Refer note below (i)]	-	-	9.51	26.09	30.11	22.75
For Vehicle [Refer note below (j)]	-	-	0.22	-	0.24	2.38
<b>Total</b>	<b>13,536.79</b>	<b>790.49</b>	<b>4,031.96</b>	<b>981.83</b>	<b>1,744.53</b>	<b>4,163.37</b>
Amount disclosed under the head "other current liabilities" (Refer note 32)	-	(790.49)	-	(981.83)		(4,163.37)
<b>Net amount</b>	<b>13,536.79</b>	<b>-</b>	<b>4,031.96</b>	<b>-</b>	<b>1,744.53</b>	<b>-</b>

- a) Term loan of Rs. 4000 lakhs from Kotak Mahindra Investments Limited is taken under the loan against property (LAP) scheme at interest rate of 11.00% p.a. payable in 15 quarterly installments starting from March 31, 2019 and secured by way of equitable mortgage of Ground, 14,15 and 16 floors of Thane One, land admeasuring approx. 45 acres located at Takwe, Pune (owned by DIL Limited 25 acres and balance 20 acres held in a trust by the managing director of the Company and others), and pledge of 30% equity shares held by the Company in one of the subsidiaries viz. Fermenta Biotech Limited. Further, the said loan has been guaranteed by the personal guarantee of the managing director of the Company and corporate guarantee of DVK Investments Private Limited, the holding company.
- b1) Loan of Rs. 5000 lakhs by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor taken from Bajaj Finance Limited carrying interest @ 9.05% p.a repayable after 156 months in one installment. The said loan is secured by hypothecation



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 25 - Long-term borrowings (contd.)

of the lease agreements of Thane One (consisting of 1st floor to 13th floor) entered into by the Company. Further the LRD Loan has been guaranteed by the personal guarantee of the managing director of the Company and the corporate guarantee of DVK Investments Private Limited, the holding company.

- b2) Term loan of Rs. 5000 lakhs from Bajaj Finance Limited is taken at the interest rate of 9.52% p.a of which Rs. 2500 lakhs is in the form of top up of LRD on Thane One property (consisting of rentals of 1st floor to 13th floor) and balance Rs. 2500 lakhs as a term loan secured by equitable mortgage of the premises at Ceejay House owned by one of the subsidiaries viz. Aegean Properties Limited (APL) of the Company. Further these loans have been guaranteed by the personal guarantee of the managing director of the Company and the corporate guarantee of DVK Investments Private Limited, the holding company.
- c) Loan under lease rental discounting (LRD) from Axis Bank Limited was taken during the earlier financial year by securitisation of Ceejay House rentals and carries interest @ 10.75% p.a. The loan is repayable in 111 monthly installments including interest (EMI). Further the said LRD Loan is also secured by way of first charge on Equitable Mortgage of Ceejay House owned by one of the subsidiaries viz. Aegean Properties Limited (APL). Further, the LRD Loan was guaranteed by the personal guarantee of the managing director of the Company and its subsidiary company (APL).
- d) Term loans for Thane One Building at Majiwade, Thane under "Union Liqui Property Scheme" was taken from Union Bank of India during the earlier financial year with interest rates (BR + 3.40%) 12.85% p.a [April 01, 2016 NIL] repayable after 12 months starting September 08, 2017 in seven yearly installments of Rs. 643 lakhs each. The said term loans were secured by way of first charge on Equitable Mortgage of Land at Thane and Constructions there on, both, owned by the Company. Further, the loan had been guaranteed by the personal guarantee of the managing director of the Company and the corporate guarantee of DVK Investments Private Limited, the holding company.
- e) Term loans for Thane One Building at Majiwade, Thane was taken from Union Bank of India with interest rates (BR + 4.25%) 13.90% p a [ April 01, 2016 (BR + 4.25%) p.a 13.90%] repayable in 12 months starting March 31, 2016 in four quarterly installments. The said term loans were secured by way of first charge on Equitable Mortgage of land and constructions there on at Thane, both, owned by the Company. Further, the loan had been guaranteed by the personal guarantee of the managing director of the Company and the corporate guarantee DVK Investments Private Limited, the holding company.
- f) Term loan for setting up a new facility at Dahej SEZ is taken by one of the subsidiaries viz. Fermenta Biotech Limited from Union Bank of India with interest rates (BR + 4%) ranging from 13.30% to 13.60% repayable in 60 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with financial assistance of the said term loan and by equitable mortgage of factory land and building at Dahej and Kullu of the said subsidiary.
- g) Term loan for expansion of Dahej facility is taken from Union Bank of India with interest rate MCLR + 2.15% (effective rate 10.55%) 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 at Dahej and Kullu of one of the subsidiaries viz. Fermenta Biotech Limited.
- h) Term loan for relocation of R & D units / registered office is taken from Union Bank of India with interest rate MCLR + 2.15% (effective rate 10.55%) 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 of one of the subsidiaries viz. Fermenta Biotech Limited.
- i) 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 by one of the subsidiaries viz. Fermenta Biotech Limited at interest rates of 13.75%, repayable in 48 equal monthly instalments. The said term loans are secured by way of first charge on plant and machinery procured with financial assistance of the said term loans.
- j) Vehicle loans are taken from the Banks and Financial Institutions against hypothecation of the vehicles purchased, repayable in monthly instalments ranging between 36 to 60 months with interest rates ranging from 10% to 14%.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 26 - Other financial liabilities (Non- current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits from tenants	365.60	217.62	46.13
	<b>365.60</b>	<b>217.62</b>	<b>46.13</b>

### Note 27 - Provisions (Non- current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Provision for employee benefits</b>			
Gratuity [(Refer note 45(c))]	71.84	58.06	9.11
Compensated absences	201.13	208.97	183.62
	<b>272.97</b>	<b>267.03</b>	<b>192.73</b>

### Note 28

#### a. Deferred tax liabilities (Net):

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Deferred tax liabilities</b>			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	740.12	652.86	600.99
Fair value and other timing adjustments	5.96	0.42	-
<b>Total deferred tax liabilities</b>	<b>746.08</b>	<b>653.28</b>	<b>600.99</b>
<b>Deferred tax assets</b>			
Provision for doubtful debts and advances	(459.62)	307.39	150.11
Provision for gratuity and compensated absences	(67.53)	72.01	50.30
<b>Total deferred tax asset</b>	<b>(527.15)</b>	<b>379.40</b>	<b>200.41</b>
<b>Deferred tax liability (Net)</b>	<b>218.93</b>	<b>273.88</b>	<b>400.58</b>

#### b. Deferred tax assets

MAT credit entitlement	-	69.00	-
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### Note 29 - Other non-current liabilities

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred rent	171.18	89.17	17.83
	<b>171.18</b>	<b>89.17</b>	<b>17.83</b>

### Note 30 - Borrowings (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Loans repayable on demand</b>			
<b>From banks (Secured)</b>			
Cash credit from Union Bank of India	-	1,673.31	1,533.33
Packing credit from Union Bank of India	2,128.09	1,132.00	1,200.62
Buyers credit from bank	284.92	188.85	-

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 30 - Borrowings (Current) (contd.)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>From banks (Unsecured)</b>			
Buyers credit from bank	-	368.86	-
<b>From others (Unsecured)</b>			
Inter corporate deposits (ICD) from Allegro Corporate Finance Advisors Pvt. Ltd.	372.50	350.00	200.00
Inter corporate deposits (ICD) from DVK Investments Pvt. Ltd, the holding Company	200.00	-	-
	<b>2,985.51</b>	<b>3,713.02</b>	<b>2,933.95</b>

Cash credit are from Union Bank of India carrying an interest @16.75% (BR+6.85%) p.a. and ICD's from Allegro Corporate Finance Advisors Pvt. Ltd and ICD's from DVK Investments Pvt Ltd, the holding company carrying interest at rate of 12% p.a. repayable on demand.

Packing credit, post shipment credit, cash credit and buyers credit are from Union Bank of India and are secured against hypothecation of entire stocks of raw materials, semi-finished, and finished goods, consumable stores and spares and such other moveable assets including book-debts, bills, whether documentary or clean, outstanding monies, receivables, and also by way of first charge on all of the fixed assets both present and future of one of the subsidiaries, viz. Fermenta Biotech Limited. The packing credit, cash credit and buyers credit are repayable on demand. The interest rate for pre-shipment credit in foreign currency is (MCLR+1.4%, effective rate 10.55%) and interest rate for export credit in rupee and cash credit is (MCLR+2.5%, effective rate 10.55%).

Buyers credit is taken from DBS Bank secured by lien on the deposit of Rs. 100 Lakhs placed by one of the subsidiaries, viz. Fermenta Biotech Limited. The interest rate is (LIBOR+1.65%)

## Note 31 - Trade payables (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of micro and small enterprises (Refer note 67)	38.33	20.20	5.14
Total outstanding dues of creditors other than micro and small enterprises	3,970.27	2,728.73	1,903.78
	<b>4,008.60</b>	<b>2,748.93</b>	<b>1,908.92</b>

## Note 32 - Other financial liabilities (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long-term borrowings (Refer note 25)	790.49	981.83	4,163.37
Current maturities of deposits from tenants	0.20	0.20	253.87
Payable to the employees / directors	1,084.39	68.33	148.63
Liability for capital expenditure	154.40	451.94	602.12
Interest accrued but not due on borrowings	201.03	84.34	21.96
Unclaimed dividends	22.26	25.00	27.67
Due to others	79.30	75.15	58.21
	<b>2,332.07</b>	<b>1,686.79</b>	<b>5,275.83</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 33 - Provisions (Current)

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for compensated absences	33.67	46.92	51.27
Provision for share of loss in a joint venture in excess of cost of investment	13.02	-	-
	<b>46.69</b>	<b>46.92</b>	<b>51.27</b>

### Note 34 - Other current liabilities

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory dues	323.39	104.92	124.60
Advances from customers	130.80	260.43	249.46
Deferred rent	59.71	26.89	20.78
Others	92.29	-	-
	<b>606.19</b>	<b>392.24</b>	<b>394.84</b>

### Note 35 - Other current liabilities

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for income tax (Net)	376.49	27.98	154.79
	<b>376.49</b>	<b>27.98</b>	<b>154.79</b>

### Note 36 - Revenue from operations

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products (Including excise duty)	28,316.10	15,725.13
Rent income	867.61	406.84
Amortised deferred rent	38.00	28.97
Sale of services	22.43	5.76
Service income (infrastructure support services to tenants)	189.97	53.59
Other operating revenues		
Exports incentive	852.32	341.65
Scrap sales	11.15	6.89
	<b>30,297.58</b>	<b>16,568.83</b>

### Note 37 - Other income

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest income on financial assets carried at amortised cost:		
Interest on bank deposits	28.31	15.96
Interest income on security deposits and others	13.72	19.39
Other financial assets	3.32	1.97
Dividend income on investments in equity instruments designated at fair value through other comprehensive income	0.30	0.25

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 37 - Other income (contd.)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Entry tax refund	280.25	1.93
Foreign exchange gain (Net)	431.57	206.68
Net gain on sale of property, plant and equipment	86.12	-
Net gain arising on financial assets measured at fair value through profit and loss	5.45	0.45
Miscellaneous income	45.80	31.63
	<b>894.84</b>	<b>278.26</b>

## Note 38 - Cost of materials consumed

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories of raw materials / packing materials at the beginning of the year	1,091.95	1,123.91
Add: Purchases	9,212.77	8,155.62
Less: Inventories of raw materials / packing materials at the end of the year	1,814.48	1,091.95
	<b>8,490.24</b>	<b>8,187.58</b>

## NOTE 39 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Inventory at the end of the year (Refer note 15)</b>			
Work-in-progress	2,225.09	2,281.79	777.00
Finished goods	914.97	319.36	178.10
	<b>3,140.06</b>	<b>2,601.15</b>	<b>955.10</b>
<b>Inventories at the beginning of the year</b>			
Work-in-progress	2,281.78	777.00	810.41
Finished goods	319.36	178.10	91.63
	<b>2,601.14</b>	<b>955.10</b>	<b>902.04</b>
	<b>(538.92)</b>	<b>(1,646.05)</b>	<b>(53.06)</b>

## Note 40 - Employee benefits expense

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, wages and bonus	3,495.61	2,323.72
Contribution to provident and other fund	147.46	136.12
Gratuity expense [(Refer note 45(d))]	58.87	29.95
Employee welfare expenses	281.09	594.26
	<b>3,983.03</b>	<b>3,084.05</b>

## Note 41 - Depreciation and amortisation expense

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation of property, plant and equipment (Refer note 3)	820.64	702.80
Depreciation of investment property (Refer note 4)	270.54	266.70
Amortisation of intangible assets (Refer note 6)	145.13	61.60
	<b>1,236.31</b>	<b>1,031.10</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 42 - Finance costs

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on		
Term loans	1,054.15	700.25
Working capital loans	150.49	233.42
Loans from related parties	16.18	0.69
Liabilities carried at amortised cost (Unwinding of interest)	34.87	20.24
Other charges	107.69	41.74
	<b>1,363.38</b>	<b>996.34</b>

### Note 43 - Other expenses

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Consumption of stores and spares	839.70	638.56
Processing charges	735.27	595.31
Electricity charges / fuel	1,086.30	974.54
Water charges	25.16	22.83
Excise duty / GST other than recovered on sales	61.11	10.59
Rates and taxes	142.03	199.20
Rent	78.87	118.73
Insurance	105.55	84.36
Repairs and maintenance:		-
Plant and machinery	151.69	122.26
Buildings	57.70	45.51
Others	483.50	302.23
Commission on sales	2,022.98	126.86
Advertising and sales promotion expenses	267.74	126.32
Freight and forwarding charge	398.93	294.31
Travelling and conveyance	420.13	364.86
Professional and legal fees	672.34	334.01
Payment to auditors (Refer note below)	47.29	45.02
Exchange loss (Net)	0.13	6.31
Communication costs	52.79	46.80
Donations	62.94	21.67
Write-off of an investment	188.51	-
Less: Provision for diminution in value of an investment	(188.51)	-
Directors' sitting fees	13.85	6.60
Printing and stationery	41.43	75.55
Staff recruitment expenses	19.99	43.51
Loss on sale of property, plant and equipment (Net)	5.70	9.37
Provision for doubtful debts	444.21	413.36
Provision for doubtful advances	11.18	12.18
Labour charges	339.92	-
Initial cost for operating leases	38.43	9.49
Miscellaneous expenses	374.99	250.15
	<b>9,001.85</b>	<b>5,300.49</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 43 - Other expenses (contd.)

(Rs. In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>Payment to auditors (excluding statutory levy)</b>		
For audit	21.75	21.35
For tax audit	5.25	6.85
For limited review	14.50	13.50
For other services	4.47	1.25
Reimbursement of expenses	1.32	2.07
	<b>47.29 *</b>	<b>45.02#</b>

\* Includes Rs. 14.89 Lakhs in respect of payment to predecessor auditors.

# Includes Rs. 6.85 Lakhs in respect of payment to other than the predecessor auditors.

## Note 44 - Earnings per share (EPS)

The following table sets forth the computation of basic and diluted earnings per share :

	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit / (loss) for the year used for computation of basic and diluted earnings per share (Rs. in lakhs)	3,568.75	(1,142.42)
Weighted average number of equity shares used in calculating basic and diluted EPS	22,93,198	22,93,198
Basic earnings per equity share [nominal value of share Rs. 10 (2017: Rs. 10)]	155.63	(49.82)
Diluted earnings per equity share [nominal value of share Rs. 10 (2017: Rs. 10)]	155.63	(49.82)

## Note 45 - Employee benefits

The Group operates following employee benefit plans

- I Defined contribution plans: provident fund, superannuation fund, Employee state insurance scheme (ESIC)
- II Defined benefit plan: gratuity (funded)
- III Other long term benefit plan: long term compensated absences (unfunded)

A. (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I. Defined Contribution Plans</b>		
The Group operates defined contribution retirement benefit plans for all qualifying employees of the Group. The contribution to defined contribution plan recognised as expenses in the Statement of profit and loss for the year is as under (Refer note 40).		
Employer's contribution to provident fund	137.82	131.85
Employer's contribution to superannuation fund	0.91	1.18
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	8.69	3.03
Employer's contribution to labour welfare fund	0.04	0.06
<b>II) Defined benefit plan</b>		
The Group operates a defined benefit plan, viz., gratuity.		
In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Group reviews the level of funding in gratuity fund.		



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 45 - Employee benefits (contd.)

B. (a) Movements in the present value of the defined benefit obligation are as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined benefit obligation	309.01	224.84
Interest cost	16.94	13.86
Current service cost	34.00	23.96
Past Service Cost	27.14	12.19
Benefits paid	(49.50)	(22.59)
Actuarial (Gain)/loss on obligations- due to change in financial assumptions	(24.65)	47.13
Actuarial (Gain)/loss on obligations- due to change in experience adjustment	9.38	9.62
Closing defined benefit obligation	322.32	309.01

(b) Movements in the fair value of the plan assets are as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined benefit obligation	250.95	215.74
Employer's contributions	39.88	30.18
Interest income	16.13	15.82
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(6.98)	11.80
Benefit paid	(49.50)	(22.59)
Closing fair value of plan assets	250.48	250.95

(c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the financial statements arising from the Group's obligation in respect of its defined benefit obligation plan is as follows: (Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fair value of plan assets	250.48	250.95	215.73
Present value of obligation	322.32	309.01	224.84
Amounts recognized in the balance sheet surplus/(deficit)	(71.84 )	(58.06 )	(9.11 )

(d) The amount recognised in Statement of profit or loss in respect of the defined benefit plan are as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	34.00	23.96
Past service cost	27.14	12.19
Net interest expense / (income)	(2.27)	(6.20)
Components of defined benefit costs recognised in Statement of profit and loss	58.87	29.95

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 45 - Employee benefits (contd.)

- (e) The amount recognised in other comprehensive income in respect of the defined benefit plan is as follows: (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Remeasurement on the net defined benefits liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	(6.98)	11.80
Actuarial (gains) / losses arising from changes in financial assumptions	(24.65)	47.13
Actuarial (gains) / losses arising from changes in experience adjustments	26.43	(10.79)
<b>Components of defined benefit recognised as income / (expense) in other comprehensive income</b>	<b>(5.20)</b>	<b>48.14</b>

- f) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Discount rate (per annum)	7.75% to 7.85%	6.85% to 7.00%	7.00% to 7.85%
Salary escalation rate (per annum)	7.00%	7.00%	5.00% to 7.00%
Expected rate of return on plan assets (per annum)	7.50%	7.50%	7.50%
Mortality rate during employment (per annum)	Indian Assured lives Mortality (2006-08)		
Mortality rate after employment (per annum)	21-30 years - 10%	21-30 years - 10%	21-30 years - 10%
	31-40 years - 5%	31-40 years - 5%	31-40 years - 5%
	41-50 years - 3%	41-50 years - 3%	41-50 years - 3%
	Above 50 years - 2%	Above 50 years - 2%	Above 50 years - 2%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC).

The expected contributions for defined benefit plan for the next financial year will be in line with financial year 2017-18.

- g) Maturity analysis of projected benefit obligation (Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
1st following year	71.58	58.72
2nd following year	17.05	8.21
3rd following year	14.33	14.81
4th following year	33.33	12.09
5th following year	38.50	27.13
6th following year	23.90	33.33
7th following year	31.26	25.98
8th following year	22.32	24.81
9th following year	33.04	18.94
10th and above	495.71	326.73

- h. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Insurer Managed Funds	100%	96%	99%
Others	-	4%	1%
	100%	100%	100%

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 45 - Employee benefits (contd.)

#### i. Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at end of year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate (- 0.50%)	3.77% to 6.42%	3.96% to 4.16%
Discount rate (+ 0.50%)	-3.52% to -5.89%	-3.68% to -3.87%
Salary Escalation Rate (- 0.50%)	-3.09 to -5.97%	-2.10% to -3.45%
Salary Escalation Rate (+ 0.50%)	3.29% to 6.44%	2.15% to 3.57%

This plans expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

**Interest risk :** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk :** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### III) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of profit and loss amounting to Rs. 25.50 Lakhs (Previous Year Rs. 54.59 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

### Note 46 - Leases

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Assets taken on operating lease</b>		
During the year the Group has entered into arrangements for taking on leave and license basis certain residential and office premises. The agreements are cancellable and the arrangements have 7.50% - 10% escalation clause and is not renewable.		
a) Lease payments recognised in the Statement of profit and loss for the year	78.87	118.73

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
b) Future minimum lease payment under non cancellable leases in the aggregate and for each of the following periods:			
i) Not later than one year	41.14	10.05	71.66
ii) Later than one year and not later than five years	35.75	0.80	76.93

#### B. Assets given on operating lease

The Parent Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease periods expiring December 2022.

The Parent Company has also entered into operating lease agreements for its properties in Thane with lease periods expiring upto 2022. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5% every year and 15% after 3 years.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 46 - Leases (contd.)

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
c) Rent income recognised in the Statement of profit and loss for the year. (includes rentals on sub-lease of Rs. 46.79 lakhs (March 31, 2017 Rs. 140.22 lakhs))	867.61	406.84

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
d) Future minimum lease income under the non-cancellable leases in the aggregate and for each of the following periods:			
i) Not later than one year	1,182.30	463.93	394.46
ii) Later than one year and not later than five years	1,066.95	759.98	408.59
ii) More than five years	-	-	-

## Note 47 - Interest in joint venture: (Refer Note 8 and 43)

- (i) The Company has invested an aggregate of Rs. 188.51 Lakhs in VasKo Glider s.r.o. Czechoslovakia, a joint venture. Out of the above, Rs. 1.96 Lakhs (Czech Koruna 1 Lakh) is towards basic capital and Rs. 186.55 Lakhs (Czech Koruna 95.24 Lakhs) was towards voluntary additional contribution to capital. VasKo Glider was 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 proportionate share, as disclosed below, in the assets, liabilities, income and expenditure of the above joint venture is based on accounts prepared as per Ind AS:

Name of joint venture	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
VasKo Glider s.r.o.	Czechoslovakia	50%	50%	50%

Summarised financial information in respect of

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Percentage of holding	50%	50%	50%
Current assets	-	18.49	20.11
Non-current assets	-	0.82	0.88
Current liabilities	-	(0.83)	(0.90)
<b>Net assets</b>	<b>-</b>	<b>18.48</b>	<b>20.09</b>

The joint venture does not have any operations during the year ended March 31, 2018 and March 31, 2017.

In view of the accumulated losses of this Joint Venture there was substantial erosion in the value of investment and accordingly, provision for diminution of Rs. 188.51 lakhs was made in the earlier year. During the current year the High court in Prague, Czech Republic, passed an order dated June 12, 2017 for dissolution of Vasko Glider s.r.o. The Parent Company has written off investment in its books with intimation to Reserve Bank of India.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 47 - Interest in joint venture: (Refer Note 8 and 43) (contd.)

- (ii) The proportionate share, as disclosed below, in the assets, liabilities, income and expenditure of the above joint venture is based on accounts prepared as per Ind AS:

Name of joint venture	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Agastya Films LLP	India, Thane one, Dil complex, Thane (West)	50%	50%	50%

Summarised financial information in respect of

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Percentage of holding	50%	50%	50%
Current assets	-	550.50	313.29
Current liabilities	(13.02)	(20.68)	(45.29)
<b>Net assets</b>	<b>(13.02)</b>	<b>529.82</b>	<b>268.00</b>
Income	-	0.01	0.01
Other expenses	601.06	0.10	0.10
<b>Loss before tax</b>	<b>(601.06)</b>	<b>(0.09)</b>	<b>(0.09)</b>
Expenses	-	-	-
<b>Loss after tax</b>	<b>(601.06)</b>	<b>(0.09)</b>	<b>(0.09)</b>

The Joint Venture "Agastya Films LLP" released its movie to theatre on 23rd March, 2018 resulting in expensing of inventory cost of Rs. 1202.11 lakhs. As the film did not do well the entire cost of production has resulted into loss. The share of loss attributable to the Parent Company works out to Rs. 601.06 lakhs which has resulted in erosion of investment of Rs. 588 lakhs in the said joint venture. The Parent Company has made provision for diminution in the value of investment of Rs. 588 Lakhs and share of loss in excess of cost of investment of Rs. 13.02 lakhs in its consolidated Ind AS financial statements.

### Note 48 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Parent Company. The Managing Director of the Parent Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the Parent Company. The Group has identified the following segments as reporting segments based on the information reviewed by CODM.

The business segments have been identified considering :

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers.

- A) The primary reporting of the Company has been performed on the basis of business segments, viz:

Property - Renting of properties

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

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 48 - Segment information (contd.)

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

Particulars	2017-2018			2016-2017		
	Bulk Drug/ Chemicals	Property	Total	Bulk Drug/ Chemicals	Property	Total
<b>a. Revenue</b>						
1 Segment revenue	29,202.01	1,230.82	30,432.83	16,078.41	540.55	16,618.96
Less : Inter-segment revenue	-	173.25	173.25	-	80.18	80.18
Unallocated revenue			932.84			308.31
2 Total			31,192.42			16,847.09
<b>b. Result</b>						
1. Segment profit / (loss)	9,466.54	198.50	9,665.04	1,363.42	(274.59)	1,088.83
2 Finance costs			1,363.38			996.34
3 Unallocable income/(expenditure) (net)			(704.72)			(641.92)
4 Profit/(loss) before tax			7,596.94			(552.85)
5 Provision for tax						
- current tax			2,108.35			4.88
- deferred tax charge/(credit)			451.47			(181.36)
6 Profit/(loss) after tax			5,483.71			(822.96)
<b>c. Other information</b>						
1 Segment assets	23,336.30	9,755.59	33,091.89	17,690.63	9,891.58	27,582.21
2 Unallocated corporate assets			5,569.63			3,200.35
3. Total assets			38,661.52			30,782.56
4 Segment liabilities	7,337.40	1,032.06	8,369.46	3,260.93	812.52	4,073.45
5 Unallocated corporate liabilities			16,551.56			9,490.50
6 Total liabilities			24,921.02			13,563.95
7 Cost incurred during the year to acquire						
- segment tangible and intangible assets	1,238.73	341.98	1,580.71	1,093.89	622.50	1,716.39
- unallocated segment tangible and intangible assets			110.89			185.96
8 Depreciation and amortization expense	852.59	339.90	1,192.49	689.12	313.35	1,002.47
9 Unallocated depreciation			43.82			28.63

## B) Geographical information

Geographical information is reported on the basis of the geographical location of the customers. The management views the Indian market and export markets as distinct geographical markets.

Revenue by market – The following is the distribution of the Group's revenue by geographical market: (Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
India		
Bulk Drug/Chemicals	5,787.40	4,138.73
Property	1,230.82	540.55
Europe - Bulk Drug/Chemicals	15,063.55	9,093.69
Others countries - Bulk Drug/Chemicals	8,351.06	2,845.99
	<b>30,432.83</b>	<b>16,618.96</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 48 - Segment information (contd.)

Assets by geographical area – The following is the carrying amount of segment assets by geographical area in which the assets are located: (Rs. In Lakhs)

Particulars	Carrying amount of Segment Assets	
	As at March 31, 2018	As at March 31, 2017
India		
Bulk Drug/Chemicals	17,882.19	14,316.80
Property	9,755.59	9,891.58
Europe - Bulk Drug/Chemicals	2,620.63	2,385.83
Others countries - Bulk Drug/Chemicals	2,833.48	988.00
	<b>33,091.89</b>	<b>27,582.21</b>
Unallocated	5,569.63	3,200.35
	<b>5,569.63</b>	<b>3,200.35</b>
<b>Total</b>	<b>38,661.52</b>	<b>30,782.56</b>

Carrying amount of segment assets represents receivables from debtors and provisions of services.

The Group's operating facilities are located in India. Most of the assets are not identifiable separately to any reportable segment as these are used interchangeably between segments. In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

### Note 49 - List of entities included in the consolidated financial statements is as under (Rs. In Lakhs)

	Country of Incorporation	Proportion of ownership interest as at		
		March 31, 2018	March 31, 2017	April 01, 2016
<b>Parent Company:</b>				
DIL Limited	India			
<b>Direct Subsidiaries</b>				
Fermenta Biotech Limited (FBL) #	India	93.72%	72.09%	72.09%
Aegean Properties Limited	India	100.00%	100.00%	100.00%
CC Square Films Limited	India	100.00%	100.00%	100.00%
<b>Step down Subsidiaries</b>				
Fermenta Biotech (UK) Limited (100% subsidiary of FBL)	United Kingdom	93.72%	72.09%	72.09%
G.I. Biotech Private Limited (62.50 % subsidiary of FBL)	India	58.58%	45.06%	45.06%
<b>Name of the associates</b>				
Health and Wellness India Private Ltd	India	47.15%	47.15%	47.15%
Zela Wellness Private Limited	India	29.50%	29.50%	49.00%
<b>Name of the joint ventures</b>				
VasKo Glider s.r.o. [Refer note 47 (i)]	Czech Republic	-	50.00%	50.00%
Agastya Films LLP. [Refer note 47 (ii)]	India	50.00%	50.00%	50.00%

# The proportion of ownership interest upto December 15, 2017 was 72.09%



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 50 - Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013: (Rs. In Lakhs)

Sr No	Particulars	Name of the Entity	March 31, 2018						March 31, 2017									
			Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)		Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
			% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)	% #	(Rs. In Lakhs)
I	Parent Company	DIL Limited	-27%	(3,442.05)	-54%	(1,927.47)	-154%	(4.17)	-54%	(1,931.62)	50%	7,229.02	165%	(1,881.44)	117%	185.48	172%	(1,695.96)
II	Subsidiary Companies																	
	a. India	Aegean Properties Limited	1%	72.52	-1%	(20.58)	-	-	-1%	(20.58)	0%	59.35	2%	(28.41)	-	-	3%	(28.41)
		CC Square Films Limited	0%	5.49	0%	5.42	-	-	0%	5.42	0%	(0.01)	0%	(0.45)	-	-	0%	(0.45)
		Fermenta Biotech Limited	134%	16,919.36	210%	7,503.08	254%	6.87	210%	7,509.93	68%	9,854.38	-98%	1,116.59	-17%	(26.90)	-111%	1,089.69
		G I Biotech Private Limited	0%	1.19	0%	(0.34)	-	-	0%	(0.34)	0%	1.52	0%	(0.52)	-	-	0%	(0.52)
	b. Foreign	Fermenta Biotech (Uk) Limited	1%	183.99	-2%	(76.40)	-	-	-2%	(76.40)	1%	124.29	3%	(28.73)	-	-	3%	(28.73)
III	Non-controlling interests		-9%	(1,098.36)	-35%	(1,262.84)	-	-	-35%	(1,262.84)	-20%	(2,847.12)	25%	(280.20)	-	-	28%	(280.20)
IV	Associates *																	
	India	Health And Wellness India Private Limited	0%	-	-1%	(29.79)	-	-	-1%	(29.79)	0%	-	1%	(14.14)	-	-	1%	(14.14)
		Zela Wellness Private Limited	0%	-	-1%	(21.27)	-	-	-1%	(21.27)	0%	-	2%	(25.03)	-	-	3%	(25.03)
V	Joint Ventures *																	
	a. India	Agastya Films LLP	0%	-	-17%	(601.06)	-	-	-17%	(601.06)	0%	0.00	0%	(0.09)	-	-	0%	(0.09)
	b. Foreign	Vasko Glider s.r.o	0%	-	0%	-	-	-	0%	-	0%	18.48	0%	-	-	-	0%	-
	Total		100%	12,642.14	100%	3,568.75	100%	2.70	100%	3,571.45	100%	14,439.91	100%	(1,142.42)	100%	158.58	100%	(983.84)

\* Investments accounted as per the equity method

# Percentage (%) to the corresponding consolidated balances

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 51 - Related parties disclosures as per Ind AS 24 (contd.)

#### A) Names of the related parties and related party relationship

	Country of Incorporation
a) Person controlling the holding company and the holding company:	
Person controlling the holding company:	
Mr. Krishna Datla - Managing Director of the Company and, a person controlling the holding company.	
Holding company:	
DVK Investments Private Limited	India

#### b) Related party relationships where transactions have taken place during the year :

Key Management Personnel	Designation
Mr. Krishna Datla (also a person controlling the holding company)	Managing Director
Mr. Satish Varma	Non-Executive Director
Mr. Sumesh Gandhi - Chief Financial Officer (w.e.f. February 16, 2017)	Chief Financial Officer
Mr. Keshav H Kashid - Chief Financial Officer (upto February 15, 2017)	Chief Financial Officer
Mr. Srikant N Sharma	Company Secretary
Mr. Sanjay Buch	Non-Executive Director
Ms. Rajeshwari Datla (also relative of the Managing Director)	Non-Executive Director
Mr. Vinayak Hajare	Non-Executive Director

#### c) Joint Ventures

VasKo Glider s.r.o. (Refer footnote #)
Agastya Films LLP

#### d) Associates

Health and Wellness India Private Limited
Zela Wellness Private Limited

#### e) Enterprises under significant influence of key management personnel or their relatives:

Magnolia FNB Private Limited
Dupen Laboratories Private Limited
Lacto Cosmetics (Vapi) Private limited

#### # Footnote:

In view of the accumulated losses of this joint venture, there was complete erosion in the value of investment and accordingly, provision for diminution of Rs. 188.51 lakhs was made in the earlier year. During the current year, pursuant to an order dated June 12, 2017 passed by the High court in Prague, Czech Republic, for dissolution of Vasko Glider s.r.o., the Company has written off investment in its books with an intimation to the Reserve Bank of India.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 51 - Related party disclosures as per Ind AS 24 (contd.)

### B) Related party transactions:

(Rs. In Lakhs)

Sr. No.	Particulars	Refer A (a) above	Refer A (b) above	Refer A (e) above	Refer A (c) & (d) above
<b>1</b>	<b>Remuneration*</b>				
	Mr. Krishna Datla	92.18	-	-	-
		(92.07)	-	-	-
	Mr. Keshav H Kashid	-	-	-	-
		-	(73.39)	-	-
	Mr. Sumesh Gandhi	-	55.61	-	-
		-	(6.56)	-	-
	Mr. Srikant N Sharma	-	49.64	-	-
		-	(37.21)	-	-
	Mr.Satish Varma (paid by Fermenta Biotech Limited)	-	501.85	-	-
		-	(74.43)	-	-
<b>2</b>	<b>Directors sitting fees</b>				
	Ms. Rajeshwari Datla	-	1.90	-	-
		(-)	(1.00)	(-)	(-)
	Mr. Satish Varma	-	2.00	-	-
		(-)	(0.90)	(-)	(-)
	Mr. Sanjay Buch	-	4.10	-	-
		(-)	(1.35)	(-)	(-)
	Mr. Vinayak Hajare	-	2.30	-	-
		(-)	(1.35)	(-)	(-)
	Mr. Krishna Datla (paid by Fermenta Biotech Limited)	1.90	-	-	-
		(0.85)	(-)	(-)	(-)
<b>3</b>	<b>Commission to directors (excluding statutory levy)</b>				
	Mr. Sanjay Buch	-	10.77	-	-
		(-)	(-)	(-)	(-)
	Mr. Krishna Datla	86.19	-	-	-
		(-)	(-)	(-)	(-)
<b>4</b>	<b>Share application money refunded by</b>				
	Zela Wellness Private Limited	-	-	-	-
		(-)	(-)	(-)	(175.00)
<b>5</b>	<b>Sale of products</b>				
	Dupen Laboratories Private Limited	-	-	12.15	-
		(-)	(-)	(-)	(-)
<b>6</b>	<b>Purchase of raw materials, packing material and spares</b>				
	Dupen Laboratories Private Limited	-	-	-	-
		(-)	(-)	(9.49)	(-)
	Lacto Cosmetics (Vapi) Private Limited	-	-	2.16	-
		(-)	(-)	(5.54)	(-)

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 51 - Related party disclosures as per Ind AS 24 (contd.)

(Rs. In Lakhs)

Sr. No.	Particulars	Refer A (a) above	Refer A (b) above	Refer A (e) above	Refer A (c) & (d) above
<b>7</b>	<b>Processing charges</b>				
	Lacto Cosmetics (Vapi) Private Limited	-	-	10.36	-
		(-)	(-)	(10.66)	(-)
<b>8</b>	<b>Other reimbursements received</b>				
	Lacto Cosmetics (Vapi) Private Limited	-	-	2.72	-
		(-)	(-)	(-)	(-)
<b>9</b>	<b>Rental income</b>				
	DVK Investments Private Limited	0.30	-	-	-
		(1.23)	(-)	(-)	(-)
	Magnolia FNB Private Limited	-	-	0.30	-
		(-)	(-)	(0.98)	(-)
<b>10</b>	<b>Investment in equity share capital (Refer Note 6)</b>				
	Zela Wellness Private Limited	-	-	-	-
		(-)	(-)	(-)	(175.00)
<b>11</b>	<b>Loans received</b>				
	DVK Investments Private Limited	200.00	-	-	-
		(75.00)	(-)	(-)	(-)
<b>12</b>	<b>Loans paid back</b>				
	DVK Investments Private Limited	-	-	-	-
		(75.00)	(-)	(-)	(-)
<b>13</b>	<b>Interest on loan</b>				
	DVK Investments Private Limited	16.18	-	-	-
		(0.69)	(-)	(-)	(-)

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

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

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 51 - Related party disclosures as per Ind AS 24 (contd.)

### C) Balance outstanding as at the end of the year :

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>a. Trade Payables</b>			
Enterprises under significant influence of key management personnel or their relatives			
Lacto Cosmetics (Vapi) Pvt Ltd	4.98	3.18	4.23
Dupen Laboratories Pvt Ltd	-	3.50	8.58
<b>b. Trade receivables</b>			
Enterprises under significant influence of key management personnel or their relatives			
Dupen Laboratories Pvt Ltd	6.33	-	4.14
Joint venture			
Agastya Films LLP	-	-	0.58
<b>c. Other financial liabilities</b>	-		
Key management personnel			
Mr. Srikanth N Sharma	9.72	-	4.38
Mr. Satish Varma	430.93	-	23.33
Mr. Sanjay Buch	10.77	-	-
Mr. Krishna Datla (also person controlling the holding company)	86.19	-	-
<b>d. Write off diminution in value of investments</b>			
Joint venture			
VasKo Glider s.r.o.	-	188.51	188.51
<b>e. Provision for diminution in value of investments</b>			
Joint venture			
Agastya Films LLP	588.00	-	-
<b>f. Loans to related parties</b>			
Key management personnel			
Mr. Srikanth N Sharma	4.80	12.00	-
<b>g. Loans taken</b>			
Holding company			
DVK Investments Private Limited	200.00	-	-
<b>h. Interest accrued payable</b>			
Holding company			
DVK Investments Private Limited	16.18	0.69	-

## Note 52

During the year, the Parent Company has acquired the stake of 21.05% in Fermenta Biotech Limited (Equivalent to 38,30,072 equity shares of Rs. 10 each fully paid) held by Evolve Life Science Fund LLP for consideration of Rs. 8,292.95 Lakhs.

## Note 53 - Research and development expenditure

During the year ended March 31, 2018, the research and development expenditure of Rs. 584.73 Lakhs (March 31, 2017 - Rs. 507.74 Lakhs) (excluding interest and depreciation) has been charged to the statement of profit and loss. The capital expenditure in the current year on research and development amounts to Rs. 91.60 Lakhs (March 31, 2017 - Rs. 195.65 Lakhs).

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 54

During the year ended March 31, 2018, commission aggregating to Rs. 754.12 Lakhs (March 31, 2017 - NIL) to executive and non-executive directors of one of the subsidiaries of the Company, viz. Fermenta Biotech Limited has been provided in the consolidated Ind AS financial statements.

### Note 55 - Categories of the financial instruments

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Financial assets</b>			
Financial assets measured at fair value through Other comprehensive income			
Investments in equity instruments - quoted	11.69	10.56	2,650.85
Financial assets measured at fair value through the Statement of profit and loss			
Investments in mutual funds - unquoted	105.89	100.45	92.12
Financial assets measured at amortised cost			
(i) Trade receivables	6,871.93	4,457.10	4,300.57
(ii) Cash and cash equivalents	3,243.69	223.56	451.08
(iii) Bank balances other than (ii) above	22.26	25.00	27.67
(iv) Share application money	897.68	906.86	1,081.86
(v) Loans	47.49	77.29	50.15
(vi) Other financial assets	570.19	452.48	704.85
<b>Total Financial assets</b>	<b>11,770.82</b>	<b>6,253.30</b>	<b>9,359.15</b>
Financial liabilities measured at amortised cost			
(i) Borrowings	17,312.79	8,726.81	8,841.85
(ii) Trade payables	4,008.60	2,748.93	1,908.92
(iii) Other financial liabilities	1,907.18	922.58	1,158.59
<b>Total Financial liabilities</b>	<b>23,228.57</b>	<b>12,398.32</b>	<b>11,909.36</b>

### Note 56 - Reconciliation of Level 3 fair value measurements

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening balance	4.11	3.65	3.65
Total gains or losses			
in profit or loss	-	-	-
recognised through other comprehensive income	-	0.46	-
Closing balance	4.11	4.11	3.65

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 57 - Fair Value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required :

(Rs. In Lakhs)

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Financial assets</b>						
(i) Loans	47.49	77.29	50.15	47.49	77.29	50.15
(ii) Share application money	897.68	906.86	1,081.86	897.68	906.86	1,081.86
(iii) Others financial assets	570.19	452.48	704.85	570.19	452.48	704.85
(iv) Trade receivables	6,871.93	4,457.10	4,300.57	6,871.93	4,457.10	4,300.57
(v) Cash and cash equivalents	3,243.69	223.56	451.08	3,243.69	223.56	451.08
(vi) Bank balances other than (v) above	22.26	25.00	27.67	22.26	25.00	27.67
<b>Total assets</b>	<b>11,653.24</b>	<b>6,142.29</b>	<b>6,616.18</b>	<b>11,653.24</b>	<b>6,142.29</b>	<b>6,616.18</b>
<b>Financial liabilities</b>						
(i) Borrowings	17,312.79	8,726.81	8,841.85	17,312.79	8,726.81	8,841.85
(ii) Trade payables	4,008.60	2,748.93	1,908.92	4,008.60	2,748.93	1,908.92
(iii) Other financial liabilities	1,907.18	922.58	1,158.59	1,907.18	922.58	1,158.59
<b>Total liabilities</b>	<b>23,228.57</b>	<b>12,398.32</b>	<b>11,909.36</b>	<b>23,228.57</b>	<b>12,398.32</b>	<b>11,909.36</b>

The financial assets above do not include investments in subsidiaries which are measured at cost and other investments measured at fair value through OCI.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

## Note 58 - Fair value hierarchy

(Rs. In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
<b>Financial assets measured at fair value through Other comprehensive income</b>						
Investments -quoted	7.58	Level 1	6.45	Level 1	2,647.20	Level 1
Investment-unquoted	4.11	Level 3	4.11	Level 3	3.65	Level 3
<b>Financial assets measured at fair value through profit or loss</b>						
Investments in mutual funds	105.89	Level 1	100.45	Level 1	92.12	Level 1

## Note 59 - Financial risk management objectives and policies

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the Group is exposed to and how it mitigates those risks.

### a) Market risk:

FBL Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates, commodity prices and equity price risk). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term borrowings.



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 59 -Financial risk management objectives and policies (contd.)

The Group is exposed to market risks related to foreign exchange rate risk and interest rate risk. Thus, the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

#### i) Equity price risk

The Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investments in securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors reviews and approves, all investments in the equity investments.

As at March 31, 2016, the group had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2018 and March 31, 2017, the Group did not have material investments in / exposure to quoted or unquoted securities.

#### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short term borrowings obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate long term and short term borrowings.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the borrowings. With all other variables held constant, the Group's profit before tax will be affected as below due to change in interest rate: (Rs. In Lakhs)

Year ended	(+)Increase/(-) decrease in basis points	Effect on profit (decrease) / increase #
April 01, 2016	+0.50	(44.21)
	-0.50	44.21
March 31, 2017	+0.50	(43.63)
	-0.50	43.63
March 31, 2018	+0.50	(86.56)
	-0.50	86.56

# Loss before tax will have an equal but opposite impact.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the observable market environment as at the respective year end.

#### ii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. The prices of the Group's raw materials generally are stable. Cost of raw materials forms the largest portion of the Group's cost of revenues. A large portion of the Group's sales are subject to commodity rate risk having a volatile pricing. The group monitors overall demand supply position and pricing movement to decide marketing strategies to overcome risk of changing prices of the products.

#### iv) Foreign currency risk

The Group's foreign exchange risk arises from its foreign currency revenues and expenses and foreign currency borrowings. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses natural hedge by foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 59 -Financial risk management objectives and policies (contd.)

The Group did not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures that have not been hedged (before giving effects of natural hedge) by derivative instrument or otherwise are given below:

### A) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents :

Particulars	As at March 31, 2018			As at March 31, 2017		As at April 01, 2016	
	Currency	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees
<b>Financial assets</b>							
Cash and cash equivalents	EURO	0.00*	0.30	0.00*	0.28	0.00*	0.30
Trade receivables	USD	64.61	4,018.27	16.06	1,039.72	8.66	572.99
	EURO	23.57	1,773.50	34.54	2,400.81	29.47	2,204.80

\* Amount less than thousand

### B) Significant foreign currency risk exposure relating to borrowings and trade payables :

Particulars	As at March 31, 2018			As at March 31, 2017		As at April 01, 2016	
	Currency	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees
<b>Financial liabilities</b>							
Trade payable	CAD	0.01	0.51	-	-	-	-
	CHF	0.02	1.51	-	-	-	-
	EURO	7.35	589.33	11.90	830.21	4.63	347.33
	GBP	-	-	-	0.72	0.01	0.69
	NZD5	0.01	0.62	-	-	-	-
	TRY	0.00*	0.06	-	-	-	-
	USD	4.87	316.85	1.10	74.34	3.69	244.97
Borrowings ( PCFC )	EURO	26.55	2,128.09	16.29	1,132.00	8.03	601.09
Borrowings (Buyers credit)	USD	4.38	284.92	5.70	368.86	-	-
	EURO	-	-	2.72	188.85	-	-

\* Amount less than thousand

### C) Foreign currency sensitivity

For the years ended March 31, 2018 and March 31, 2017 and as on April 01, 2016, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities would increase the Group's profit and increase the Group's equity by approximately Rs. 128.23 Lakhs, Rs. 42.29 Lakhs and Rs. 79.20 Lakhs respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### b) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party to which the Group grants credit terms in the normal course of business.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

#### i) Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 59 -Financial risk management objectives and policies (contd.)

and historical data of credit losses from various customers. The Group evaluates the concentration of risk with respect to trade receivables which is low, as its customers are widely spread with small outstanding amounts (For detailed movement in provision for trade receivables - Refer note 17)

(Rs. In Lakhs)

Trade receivables	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Not due	4,904.74	3,053.61	2,369.35
1 - 90 days	1,131.65	555.91	945.25
91 -180 days	-	285.00	284.00
Beyond 180 days	1,869.17	1,152.00	884.00
	<b>7,905.56</b>	<b>5,046.52</b>	<b>4,482.60</b>

#### ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. Counter party credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

#### c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Group's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities outstanding as at the reporting date.

(Rs. In Lakhs)

As at March 31, 2018	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	17,312.79	3,776.00	6,542.45	6,994.34
Other financial liabilities	1,907.18	1,541.58	365.60	-
Trade payables	4,008.60	4,008.60	-	-
<b>Total</b>	<b>23,228.57</b>	<b>9,326.18</b>	<b>6,908.05</b>	<b>6,994.34</b>

(Rs. In Lakhs)

As at March 31, 2017	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	8,726.81	4,694.85	4,031.96	-
Other financial liabilities	922.58	704.96	217.62	-
Trade payables	2,748.93	2,748.93	-	-
<b>Total</b>	<b>12,398.32</b>	<b>8,148.74</b>	<b>4,249.58</b>	<b>-</b>

(Rs. In Lakhs)

As at April 1, 2016	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	8,841.85	7,097.32	1,744.53	-
Other financial liabilities	1,158.59	1,112.46	46.13	-
Trade payables	1,908.92	1,908.92	-	-
<b>Total</b>	<b>11,909.36</b>	<b>10,118.70</b>	<b>1,790.66</b>	<b>-</b>

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 60 - Capital management

The Group's capital management objectives are:

- to ensure the Groups's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Groups's objective for capital management is to maintain an optimum overall financial structure.

(i) **The gearing ratio at the end of the year was as follows:**

(Rs. In Lakhs)

Trade receivables	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Debts (Long term and short term borrowings including current maturities of long term borrowings)	17,312.79	8,726.81	8,841.85
Less: Cash and cash equivalents (Refer note 18)	(3,243.69)	(223.56)	(451.08)
<b>Net debt</b>	<b>14,069.10</b>	<b>8,503.25</b>	<b>8,390.77</b>
<b>Total equity</b>	<b>12,642.14</b>	<b>14,439.91</b>	<b>15,386.78</b>
<b>Net debt to equity ratio</b>	<b>111.29%</b>	<b>58.89%</b>	<b>54.53%</b>

(ii) **Dividend on equity shares paid during the year**

(Rs. In Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend on equity shares		
Dividend for the year ended March 31, 2017 of Rs. 2.50 (previous year for year ended March 31, 2016 Rs.2.50) per fully paid share of Rs. 10 each	57.33	57.33
Dividend distribution tax on above	11.67	11.67

**Dividends not recognised at the end of the reporting period**

The Board of Directors of the parent Company at its meeting held on May 15, 2018 have recommended payment of dividend of Rs. 2.50 per share on the face value of Rs. 10 each for the year ended March 31, 2018. The same amounts to Rs. 57.33 Lakhs excluding dividend distribution tax thereon amounting to Rs. 11.67 Lakhs.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as a liability.

## Note 61 - Investment properties

The Parent Company's investment properties consist of Thane One Building Located at Majiwade Thane. Out of the 16 floors, ground to 13 floors have been considered as Investment property by the Management. In addition to Thane One building, the Company has also leased the premises at Ceejay House, Worli, Mumbai.

Criteria used for classification of property as investment property

The Group has considered the following for classification of property as investment property:

- Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.
- The properties that are not occupied by the Group for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Group has a building which is primarily meant for renting, is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Group has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 61 - Investment properties (contd.)

#### Estimation of fair value

The fair value of investment property has been determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The Group obtains independent valuation for its investment property annually and fair value measurement has been categorised as Level 3. The fair value has been arrived at by using comparable market rate approach. The main inputs used are area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in nearby localities.

Amount recognised in statement of profit and loss

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income from investment properties	1,230.82	540.55
Less: Direct operating expenses (including repairs and maintenance) generating income from investment properties	(1,032.32)	(815.14)
Income arising from investment properties	198.50	(274.59)
Less: Depreciation	(270.54)	(266.70)
<b>Income/(loss) arising from investment properties after depreciation</b>	<b>(72.04)</b>	<b>(541.29)</b>

Refer note 46 for operating lease arrangements and total future minimum lease rentals receivable.

Refer note 25 for the existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

### Note 62 - Income tax

#### A Tax expense recognised in the Statement of profit and loss and other comprehensive income consists of: (Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current tax:</b>		
- For the year	2,108.34	419.97
- Short provision of tax for earlier years	-	31.50
Deferred tax charge/(credit)	4.88	(181.36)
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>2,113.22</b>	<b>270.11</b>
Tax expense recognised in other comprehensive income	(3.63)	14.43
<b>Tax expense</b>	<b>2,109.59</b>	<b>284.54</b>

#### B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below: (Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(loss) before tax	7,596.94	(552.85)
Enacted income tax rate in India (%) #	0.33063	0.33063
Income tax expense calculated at enacted income tax rate	2,511.78	(182.79)
<b>Effect of tax on:</b>		
- non deductible expenses	38.92	15.51
- brought forward tax loss of the past year for which DTA is created	(195.44)	(164.44)
- carried forward tax loss / unabsorbed tax depreciation of the current year for which DTA is not created	941.01	749.16
- income exempted from tax	(1,918.58)	(100.62)
- incremental deduction allowed on account of research and development costs	(120.25)	(109.15)
Allowance for MAT credit entitlement recognised in previous year	69.00	-

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 62 - Income tax (contd.)

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short provision of tax for earlier years	-	31.50
Differential tax effect due to effective tax rate difference	786.78	30.95
<b>Total income tax expense</b>	<b>(398.56)</b>	<b>270.11</b>
<b>Tax expense recognised in profit or loss</b>	<b>2,113.22</b>	<b>270.11</b>
Tax expense recognised in other comprehensive income		
<b>Total tax expense</b>	<b>2,113.22</b>	<b>270.11</b>

# The tax rate used for reconciliation above is the corporate tax rate of 33.063% at which the Parent Company is liable to pay tax on taxable income under the Indian tax Law.

### C The major components of deferred tax (liabilities)/assets arising on account of temporary differences are as follows: (Rs. In Lakhs)

Particulars	As at April 01, 2017	For the year ended March 31, 2018		As at March 31, 2018
		Statement of profit and loss	Other compre- hensive income	
<b>(I) Components of deferred tax liabilities (Net)</b>				
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment: Impact of difference between written down value as per books of account and income tax	331.00	(116.69)	-	214.31
<b>Deferred tax assets</b>				
Expenses claimed for tax purpose on payment basis	(53.49)	7.39	-	(46.10)
Allowance for doubtful debts and advances	(301.10)	(150.26)	-	(451.36)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	0.42	-	-	0.42
Remeasurement benefit of the defined benefit plans through OCI	-	-	3.63	3.63
Unabsorbed depreciation/carried forward losses*	297.05	195.44	-	492.49
Others	-	-	-	5.54
		<b>(64.12)</b>	<b>3.63</b>	
<b>Net deferred tax assets/ (liabilities)</b>	<b>273.88</b>			<b>218.93</b>
<b>(II) Components of deferred tax assets (Net)</b>				
MAT credit entitlement	69.00	69.00	-	-
<b>Deferred tax (benefit)/expense</b>	<b>-</b>	<b>4.88</b>	<b>3.63</b>	<b>-</b>

(Rs. In Lakhs)

Particulars	As at April 01, 2016	For the year ended March 31, 2017		As at March 31, 2017
		Statement of profit and loss	Other compre- hensive income	
<b>(I) Components of deferred tax liabilities (Net)</b>				
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment: Impact of difference between written down value as per books of account and income tax	515.39	(184.39)	-	331.00
<b>Deferred tax assets</b>				
Expenses claimed for tax purpose on payment basis	(33.75)	(5.31)	(14.43)	(53.49)
Allowance for doubtful debts and advances	(141.85)	(159.25)	-	(301.10)

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 62 - Income tax (contd.)

(Rs. In Lakhs)

Particulars	As at April 01, 2016	For the year ended March 31, 2017		As at March 31, 2017
		Statement of profit and loss	Other compre- hensive income	
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	0.33	-	0.09	0.42
Unabsorbed depreciation/carried forward losses*	60.46	236.59	-	297.05
		(112.36)	(14.34)	
<b>Net deferred tax liabilities</b>	<b>400.58</b>			<b>273.88</b>
<b>(II) Components of deferred tax assets (Net)</b>				
MAT credit entitlement	-	(69.00)	-	69.00
<b>Deferred tax (benefit)/expense</b>	<b>-</b>	<b>(181.36)</b>	<b>(14.34)</b>	<b>-</b>

#### D Details of unused tax losses and unabsorbed tax depreciation for which deferred tax assets have not been recognised: (Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unused tax losses	2,605.05	1,348.79	640.84
Unabsorbed depreciation (can be used in future without any time limit)	2,643.56	1,639.54	579.81

#### E The above unused tax losses will expire as per table below: (Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Tax losses for financial year ended/ (benefit of tax losses expiring on:</b>			
<u>Long Term Capital Losses</u>			
March 31, 2013 ( Expiring on March 31, 2023)	101.07	101.07	101.07
March 31, 2014 ( Expiring on March 31, 2024)	40.18	40.18	40.18
March 31, 2015 ( Expiring on March 31, 2025)	2.22	2.22	2.22
<u>Business losses</u>			
March 31, 2016 ( Expiring on March 31, 2026)	-	-	497.36
March 31, 2017 ( Expiring on March 31, 2027)	614.21	1,205.32	-
March 31, 2018 ( Expiring on March 31, 2028)	1,847.36	-	-
	<b>2,605.05</b>	<b>1,348.79</b>	<b>640.84</b>

### Note 63 - First-time adoption of Ind AS

#### I. Reconciliation of total comprehensive income for the year ended March 31, 2017:

(Rs. In Lakhs)

	Notes	For the year ended March 31, 2017
<b>Net Profit as per previous GAAP</b>		<b>1,009.80</b>
(a) Operating lease rental straight lining in the previous GAAP and initial costs for operating leases.	8 and 9	75.39
(b) Measurement of financial liabilities at amortised cost (including unwinding of discounts)	3 and 5	98.77
(c) Prior period adjustments under the previous GAAP	7	21.01
(d) Adjustments in respect of associates	7	108.32
(e) Measurement of equity instrument at fair value through Other Comprehensive Income	1	(2,466.17)
(f) Others	6	10.46

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 63 - First-time adoption of Ind AS (contd.)

	Notes	For the year ended March 31, 2017
Net loss as per Ind AS		(1,142.42)
Other comprehensive income (Net of tax)	1	158.58
<b>Total Comprehensive Income as per Ind AS</b>		<b>(983.84)</b>

### II. Reconciliation of equity as at March 31, 2017 and April 01, 2016 : (Rs. In Lakhs)

	Notes	As at March 31, 2017	As at April 01, 2016
<b>Equity as per Previous GAAP (i)</b>		<b>14,097.76</b>	<b>12,982.01</b>
(a) Operating lease rental straight lining in the previous GAAP and initial costs for operating leases.	8 and 9	75.39	-
(b) Measurement of financial liabilities at amortised cost (including unwinding of discounts)	3 and 5	129.46	30.68
(c) Prior period adjustments under the previous GAAP	7	32.00	35.19
(d) Adjustments in respect of associates	7	108.32	-
(e) Measurement of equity instrument at fair value through Other Comprehensive Income	1	8.12	2,282.01
(f) Others	6	(11.13)	56.89
<b>Total Effect of transition to Ind AS</b>		<b>14,439.91</b>	<b>2,404.77</b>
<b>Equity As per Ind AS</b>		<b>14,439.91</b>	<b>15,386.78</b>

### III. Effect of Ind AS adoption on the Statement of Cash-flows for the year ended March 31, 2017: (Rs. In Lakhs)

	Notes	For the year ended March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities	5 and 11	(93.93)	(284.95)	191.02
Net cash flow from investing activities	11	916.44	264.08	652.36
Net cash flow from financing activities	5 and 10	(1,381.07)	160.20	(1,210.88)
<b>Net increase in cash and cash equivalents</b>		<b>(228.17)</b>	<b>139.33</b>	<b>(367.50)</b>

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of Groups' cash management system are included in cash and cash equivalents for the purpose of presentation of Statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities.



# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 63 - First-time adoption of Ind AS (contd.)

(Rs. In Lakhs)

### Notes to reconciliation:

#### Note 1: Fair valuation of investments through other comprehensive income (FVOCI)

Under the previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVOCI.

#### Note 2: Fair valuation of investments through profit and loss (FVTPL)

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current based on the intended holding period and realisability and valued at cost less diminution in its value. Fair value changes with respect to investments in mutual funds have been recognised in FVTPL.

#### Note 3: Security deposits

Under the previous GAAP, interest free security deposits were recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at their fair value. Accordingly, the Company has fair valued the security deposits under Ind AS and disclosed under the head "other current" / "non-current financial liabilities". The difference between fair value of security deposits and the carrying value (transaction value) as per previous GAAP has been recognised as "deferred rent" and disclosed under the heads "Other current liabilities" and "Other non-current liabilities". The amortisation of deferred rent over the period of lease is charged to the Statement of profit and loss under the head "deferred rent" which is grouped under "Revenue from operations". The notional interest calculated using effective interest method on the fair value of security deposits is debited to the Statement of profit and loss under the head "Finance Costs".

#### Note 4: Proposed dividend (including dividend distribution tax)

Under the previous GAAP upto March 31, 2016, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in the general meeting.

#### Note 5: Transaction cost for borrowings

Under the previous GAAP, transaction costs incurred towards origination of borrowings were charged off to the statement of profit and loss as incurred, and being classified under finance costs. As required under Ind AS 109, transaction costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being given in Long term borrowings and to the extent attributable to current maturity of long term borrowings.

#### Note 6: Remeasurements of defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gain and losses and the return on plan assets, excluding amount included in the net interest expense on the defined benefit liability are recognised in other comprehensive income instead of Statement of profit and loss. Under the previous GAAP, these remeasurements were forming part of the Statement of profit and loss for the year.

#### Note 7: Restatement of prior period adjustments

Under the previous GAAP, the Company had included a prior period item in the determination of profit for the year ended March 31, 2017. However, in accordance with the requirements of Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS 101 – "First-time Adoption of Indian Accounting Standards", the same has been corrected by restating the retained earnings as at April 01, 2016.

#### Note 8: Operating lease rental straight-lining

Under the previous GAAP, the Company recognised lease rental income in the statement of profit and loss on a straight-line basis over the lease term. Under Ind AS, lease rentals are required to be recognised on a straight-line basis unless escalation clauses are structured in line with expected general inflation. In such case, lease rentals shall be recorded based on contractual terms. In case of the Company, since the purpose of escalations is to catch-up with inflation, there is no need to straight line the rental income.

# Notes to Consolidated Financial Statements for the year ended March 31, 2018

## Note 63 - First-time adoption of Ind AS (contd.)

### Note 9: Brokerage expenses which are directly attributable to negotiating and arranging a lease

Under the previous GAAP, the Company recognised brokerage directly attributable to negotiating and arranging a lease in the statement of profit and loss under "other expenses" in the year in which such expenses are incurred. Under Ind AS, such costs are amortised over the lease period and disclosed under "other current assets" and "other non-current assets" as "prepaid expenses".

### Note 10: Cash Credit

Under Ind AS, cash credit which are repayable on demand and form an integral part of Group's cash management system are included in cash and cash equivalents for the purpose of presentation of Statement of cash flows. Under previous GAAP, cash credit were considered as part of borrowings and movements in cash credit were shown as part of financing activities.

### Note 11: Accounting for interest in joint ventures

Under the previous GAAP, all assets, liabilities, income and expenditures pertaining to joint ventures were consolidated line by line in proportion of the ownership interest of the Company resulting in elimination of investments in the joint venture. Under Ind AS, the joint venture is accounted based on equity method, wherein only the share of profit/(loss) of joint venture is included in the consolidated Ind AS financial statements with the corresponding increase/(decrease) in the value of investments in the joint venture.

## Note 64 - Commitments

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	1.57	660.71	1,167.23

## Note 65 - Contingent liabilities

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the Company not acknowledged as debts;			
a) Tax matters			
- Excise duty - matter under appeal	-	-	8.00
- Service tax - matter under appeal	22.50	22.50	22.50
- Sales tax - matter under appeal	24.77	4.63	4.63
b) Other claims (legal claim not accepted by the Company)	-	94.26	54.99
	<b>47.27</b>	<b>121.39</b>	<b>90.12</b>

## Note 66

- a) During the year ended March 31, 2017, Zela Wellness Private Limited (Zela) cancelled the supplementary agreement to convert the additional share subscription money of Rs. 175.00 lakhs into Non-Cumulative Convertible Preference shares and refunded the Share Application Money of Rs. 175 Lakhs.

During the year ended March 31, 2017, along with other/new investors the Company invested Rs. 175 Lakhs in Zela Wellness Private Limited (Zela) and acquired 83,634 equity shares of Rs. 10 each, consequently the company's equity holding in Zela Wellness Private Limited (Zela) is reduced to 29.50% as against earlier 49%.

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 66 (contd.)

- b) The Company has not made any provision for impairment of its exposure in two associates namely Health and Wellness India Private Limited and Zela Wellness Private Limited (Zela) whose aggregate carrying value in consolidated financial statements is Rs. 534.14 lakhs. In view of the fact that these investments have been made in the recent years, the management is confident that profitability will be achieved by these entities and hence no provision for impairment in respect of these investments is considered necessary.
- c) The Company has not made any provision for share application money of Rs. 597 Lakhs given to Noble Explochem Ltd whose networth has been negative. In View of the proposed revival plan by promoter of Noble Explochem Ltd and considering the large asset it holds, the management is confident of recovery of this amount, hence no provision for impairment is necessary.

### Note 67 - Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 (Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a i) Principal amount remaining unpaid to any supplier at the end of the accounting year	38.33	20.20	5.14
ii) Interest due on above	0.33	0.57	0.10
The Total of (i) and (ii)	38.66	20.77	5.24
b The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	-	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

### Note 68 - Capitalization of expenditure

The Group 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 capitalised by the Group. (Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Finance costs	-	59.22	421.69
<b>Total</b>	<b>-</b>	<b>59.22</b>	<b>421.69</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 69

- (a) The Consolidated Ind AS financial statements are approved for issue by the Board of Directors of the Parent Company at its meeting held on May 15, 2018.
- (b) Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with the financial statements prepared under Ind AS.

See accompanying notes 1 to 69 to the consolidated financial statements

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

**Sanjay Buch**  
Chairman

**Satish Varma**  
Director

**Srikant N. Sharma**  
Company Secretary

Thane, May 15, 2018

**Krishna Datla**  
Managing Director

**Vinayak Hajare**  
Director

**Rajeshwari Datla**  
Director

**Sumesh Gandhi**  
Chief Financial Officer



## DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

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

Tel: +91-22-6798 0800/888 • Fax: +91-22-6798 0899

• Email: [contact@dil.net](mailto:contact@dil.net) • Website: [www.dil.net](http://www.dil.net)

## NOTICE

Notice is hereby given that the Sixty-Sixth Annual General Meeting of the Members of DIL LIMITED will be held at Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) - 400 610, Maharashtra on Friday, September 28, 2018 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

**1. To receive, consider and adopt:**

- (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, 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, 2018 along with the Report of the Auditors thereon.
2. To declare dividend of Rs. 1.25 per equity share of Rs. 5 each for the financial year ended March 31, 2018.
  3. To appoint a Director in place of Ms. Rajeshwari Datla (DIN: 00046864), who retires by rotation and being eligible offers herself for re-appointment.
  4. To ratify the appointment of Statutory Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with 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 pursuant to the resolution passed by the members at the 65th Annual General Meeting (AGM) of the Company, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No: 117366W/W-100018) as the statutory auditors of the Company and to hold office from the conclusion of the 66th AGM until the conclusion of 70th AGM of the Company be and is hereby ratified, at such remuneration as may be mutually decided by the Board of Directors of the Company and Deloitte Haskins & Sells LLP”.

### SPECIAL BUSINESS

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or any re-enactment thereof) (“Act”), in accordance to the provisions of the Articles of Association of the Company and the Nomination and Remuneration policy of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the Company be and is hereby accorded to the re-appointment of Mr. Krishna Datla (DIN: 00003247) as Managing Director of the Company (Managing Director) for a further period of 3 (three) years commencing from May 9, 2018 to May 8, 2021 as per the terms and conditions mentioned in the agreement dated February 6, 2018 (‘Agreement’) entered into between the Company and Managing Director, which inter alia, are set out in the Explanatory Statement.

**RESOLVED FURTHER THAT** the total remuneration including perquisites payable to the Managing Director shall be subject to the overall ceilings laid down in Section 197 of the Act read with Schedule V of the Companies Act, 2013 as amended from time to time.

**RESOLVED FURTHER THAT** notwithstanding anything contained hereinabove, where in any financial year during the tenure of the Managing Director, if the Company has no profits or its profits are inadequate, the Board of Directors is authorized to decide the payment of remuneration of the Managing Director in the following manner:

- a. Payment of remuneration by way of salary, perquisites

and other allowances as set out above, subject to the provisions and applicable ceilings laid down in Section II of Part II of Schedule V to the Act including any amendment thereof; or

- b. Payment of remuneration to the Managing Director by way of salary and perquisites as set out above, subject to prior approval of the Central Government (if applicable) and in accordance with the provisions of Section 197 read with Schedule V of the Act, as amended from time to time, in case the above remuneration exceeds the limits of Schedule V of the Companies Act, 2013.

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

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

By Order of the Board of Directors of  
**DIL Limited**

**SRIKANT N. SHARMA**

*Company Secretary*

Membership No: FCS - 3617

Thane

August 14, 2018

Registered Office:

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

## 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 66TH 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 is entitled to inspect the proxies received by the Company, between 10.00 a.m. to 5.00 p.m., provided that not less than three (3) days' prior notice in writing is given to the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive) for the purpose of 66th AGM and payment of final equity dividend for the financial year 2017-18.
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 Wednesday, October 03, 2018 to those members whose names appear:
  - (a) in the Register of members of the Company after giving effect to valid share transfers lodged with the Company on or before Friday, September 21, 2018 and
  - (b) as beneficial owners as at the end of business hours on Friday, September 21, 2018 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialized form.
6. Members are requested to avail National Electronic Clearing Service (NECS) facility for quick remittance of dividends in order to avoid postal delay and fraudulent interception of dividend warrants. NECS mandate form is available at the Company's Registrar and Transfer Agent (R&T Agent) website [www.linkintime.co.in](http://www.linkintime.co.in) or Members may write to the R&T Agent for the same.
7. Unclaimed interim and final equity dividend for financial year 2010-11 has already been transferred to Investor Education and Protection Fund (IEPF). Members are hereby informed that pursuant to Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as may be amended from time to time (IEPF Rules), dividends which are not encashed / claimed by shareholders for a period of seven consecutive years shall

be transferred to IEPF. IEPF Rules also mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of unclaimed dividends and its due dates for transfer to IEPF are available on the website of the Company i.e. [www.dil.net/Unpaid-Dividend.html](http://www.dil.net/Unpaid-Dividend.html). Members who have not claimed their dividend(s) so far in respect of the unclaimed dividend(s) and are due for transfer to IEPF, are requested to write to the Company's R&T Agent, well in advance of the respective due dates. The shareholders whose dividend(s)/ shares have been transferred to IEPF can now claim their dividend(s)/ shares from the IEPF Authority by following the 'Procedure to claim Refund' as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years shall be transferred to "Investor Education And Protection Fund (Fund)" within thirty days of such shares becoming due for transfer to the Fund. Members whose shares, unclaimed dividend etc. have been transferred to the Fund and IEPF respectively, may claim the shares or apply for refund of dividend(s) by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the Authority from time to time.

8. The profile of the Directors recommended for re-appointment at the AGM under item no. 3 and 5 of the Notice, as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) as specified by the Institute of Company Secretaries of India and approved by the Central Government, is furnished in the Corporate Governance Report.
9. (a) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection at the venue of the AGM.
- (b) All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days i.e. Monday to Friday, up to the date of the 66th 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 dematerialized form, the nomination may be lodged with the member's Depository Participant. The above form is available at the R&T Agent's website or will be made available on request.

11. The 66th Annual Report along with the Notice of the AGM, Remote e-voting procedure, Ballot Form, Attendance Slip and Proxy Form is being sent: (a) by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless such Member has requested for a physical copy of the same; and (b) to those Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode(s). ***To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent.***
12. In order to improve ease, convenience and safety of transactions and in view of SEBI notification dated June 8, 2018 which mandate that request for effecting the transfer of listed securities shall not be processed unless the securities are held in demat form, effective December 5, 2018. Members are therefore advised to dematerialize their equity shares currently held in physical form, by contacting Depository Participant(s).
13. 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 of remote e-voting provided by Central Depository Services Limited (CDSL) through which the Members may exercise their votes electronically on all resolutions set forth in this Notice.

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

- (A) Members are requested to follow the steps as mentioned in point (i) to (xxi) on page no. viii of Annual Report and Other Instructions mentioned in point 12(B) below to cast their votes electronically (e-voting) and through ballot form.
- (B) Other instructions for e-voting:
  - i. The e-voting period commences on Tuesday, September 25, 2018 (9.00 a.m. IST) and ends on Thursday, September 27, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on Friday, September 21, 2018, 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 Thursday, September 27, 2018. Once the vote on a resolution

is cast by the Member, the same shall not be allowed to change subsequently. A Member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again.

- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 21, 2018.
- iii. In case the members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'Help Section' or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iv. Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed in page no. vii of the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. V. N. Deodhar (Membership No.FCS 1880), Proprietor of V.N. Deodhar & Co., Practising Company Secretaries, at the Registered Office of the Company not later than Thursday, September 27, 2018 (5.00 p.m. IST). Ballot Form received after the said date shall be treated as invalid.
- v. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot Form. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
- vi. Mr. V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and Ballot forms in a fair and transparent manner.
- vii. The facility for voting through Ballot Forms will be made available at the AGM. The Members attending the AGM and have not voted will be able to exercise their voting right at the AGM through Ballot Forms.
- viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast,

thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

- ix. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dil.net](http://www.dil.net) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within 48 hours of passing of resolutions at the 66th AGM of the Company and communicated to BSE Limited, where the shares of the Company are listed.
14. 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 66th AGM, in order to make the information available at the AGM.
15. Members / proxies are requested to bring their copies of the Annual Report along with the attendance slip, duly filled in, for attending the AGM.
16. The route map (including the prominent landmark), for easy location of the AGM venue, is provided on page no xii of the Annual Report.

By Order of the Board of Directors of  
**DIL Limited**

**SRIKANT N. SHARMA**

*Company Secretary*

Membership No: FCS - 3617

Thane

August 14, 2018

Registered Office:

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



## Annexure to Notice

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

### Item no. 5:

Mr. Krishna Datla was re-appointed at the Annual General Meeting ('AGM') held on September 30, 2015 as Managing Director of the Company for a period of 3 (three) years effective May 9, 2015. Accordingly, the tenure of Mr. Krishna Datla as Managing Director of the Company has come to an end on May 8, 2018.

Subject to the approval of the members of the Company, the Nomination and Remuneration Committee and Board of Directors of the Company at their respective meeting(s) held on February 6, 2018 re-appointed Mr. Krishna Datla, as Managing Director of the Company ('Managing Director') for a period of 3 (three) years with effect from May 9, 2018.

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

The material terms of the agreement entered into between the Company and Mr. Krishna Datla on February 6, 2018 ('Agreement') are as under:

- I. **Salary:** Rs. 9,75,000 per month, in the scale of Rs. 9,75,000 - Rs. 11,75,000 and eligible for revision as and when deemed fit by the Nomination and Remuneration Committee / Board of Directors of the Company;
- II. In addition to the aforesaid Salary, he shall also be entitled to the following perquisites:
  - a. Furnished accommodation or house rent @ Rs. 1,50,000 per month;
  - b. Reimbursement of gas, electricity and water for residence;
  - c. Medical Reimbursement: Expenses incurred for self and family as per rules of the Company subject to ceiling of one month's basic salary;
  - d. Leave travel concession for self and his family subject to ceiling of one month's basic salary;
  - e. Club fees: Fees of clubs, subject to a maximum of two clubs;
  - f. The Company shall provide two cars with drivers and telephone at residence. Provisions of car(s) and telephone(s) at residence for use on Company's business will not be considered as perquisites;
  - g. Children Education Allowance as per rules of the Company;
  - h. Personal Accident Insurance Premium as per rules of the Company;
  - i. Reimbursement of Entertainment and all other expenses

actually incurred in the course of legitimate business of the Company;

- j. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors and the Managing Director.

### III. Commission:

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

### IV. Loss of Office:

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

### V. Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration under Schedule V to the Act:

- a) Contribution to Provident Fund to the extent not taxable under the Income tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service in accordance with the terms of Payment of Gratuity Act, 1972;
- c) Encashment of leave at the end of the tenure as per rules of the Company;

The total remuneration including perquisites payable to the Managing Director shall be subject to the provisions of Section 197 of the Act read with Schedule V to the Act (as amended from time to time);

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

- a. Payment of remuneration by way of salary, perquisites and other allowances as set out above, subject to the provisions and applicable ceilings laid down in Section II of Part II of Schedule V to the Act including any amendment thereof; or
- b. Payment of remuneration to the Managing Director by way of salary and perquisites as set out above, subject to prior approval of the Central Government

(if applicable) and in accordance with the provisions of Section 197 read with Schedule V, as amended from time to time, in case the above remuneration exceeds the limits of Schedule V of the Companies Act, 2013.

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

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

The Agreement executed between the Company and Mr. Krishna Datla for the said appointment is available for inspection at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days i.e. Monday to Friday, up to the date of the 66th AGM of the Company.

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

Interested Director	Nature of Interest/ concern	Shareholding in Company [as on March 31, 2018]
Mr. Krishna Datla	Being re-appointed	8.68%
Mrs. Rajeshwari Datla	Relative of Mr. Krishna Datla	1.39%

By Order of the Board of Directors of  
**DIL Limited**

**SRIKANT N. SHARMA**

*Company Secretary*

Membership No: FCS - 3617

Thane

August 14, 2018

Registered Office:

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



## DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Registered Office: A -1601, Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 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)

Name(s) of Member(s), including Joint holder(s), if any, (in block letters) :

Registered Address of the Sole / First named Member / Beneficial Owner :

Registered Folio No. / DP ID and Client ID No :

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 August 14, 2018 by sending my / our assent or dissent to the said Resolutions by placing the tick (•) mark at the appropriate box below:

Resolution No.	Description	No. of shares	I/ We assent to the Resolution	I/ We dissent to the Resolution
1	To receive, consider and adopt: (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, 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, 2018 along with Report of the Auditors thereon.			
2	To declare dividend of Rs. 1.25 per equity share of Rs. 5 each for the financial year ended March 31, 2018.			
3	To appoint a Director in place of Ms. Rajeshwari Datla (DIN: 00046864), who retires by rotation and being eligible offers herself for re-appointment.			
4	To ratify the appointment of Statutory Auditors and to fix their remuneration			
5	Re-appointment of Mr. Krishna Datla as Managing Director			

### ELECTRONIC VOTING PARTICULARS

Place :

Date :

Signature of the Member

EVSN (Electronic Voting Sequence Number)	User ID	Password
180822051		

Note: For e-voting, please refer the instructions under “E-Voting Facility” in the Notice attached herewith.

## INSTRUCTIONS

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

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by Ballot Form or through remote e-voting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
3. For detailed instructions on remote e-voting, please refer to the Notes appended to the Notice of Annual General Meeting.
4. The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through Ballot Form to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice
5. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, i.e. Mr. V. N. Deodhar & Co. (Membership No.898), Practising Company Secretaries, at the Registered Office of the Company, not later than Thursday, September 27, 2018 (5.00 p.m. IST). (For this purpose, a self-addressed prepaid envelope is enclosed and postage will be paid by the Company. The envelope bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, envelopes containing the Ballot Form(s), if deposited in person or sent by courier or registered/ speed post will be at the expense of the Member and will also be accepted. Ballot Form received after this date will be treated as invalid.)
6. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders.
7. For shares held by companies/ entities duly completed Form should be accompanied by a certified true copy of the Board Resolution/ Authorization together with attested specimen signature(s) of the duly authorized representative(s).
8. Votes should be cast in case of each resolution, either in favour or against by putting the tick mark in the column provided for assent/ dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the Member does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
9. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, September 21, 2018 ("Cut Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
10. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified at Sr.No.5 above.
11. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
12. The Scrutinizer's decision on the validity of a Ballot will be final.
13. Except as otherwise mentioned herein, Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
14. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be published in newspapers, placed on the Company's website [www.dil.net](http://www.dil.net) and communicated to the Stock Exchange where the Company shares are listed viz. BSE Ltd.
15. Members may address any query to Mr. Srikant Sharma, Compliance Officer, at the Registered Office of the Company, Tel: 022 6623 0800 Fax: 022 6798 0899 or by e-mail to [srikant.sharma@dil.net](mailto:srikant.sharma@dil.net).

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

The instructions for Members voting electronically are as under:

- (i) The voting period begins on Tuesday, September 25, 2018 at 9.00 am [IST] and ends on Thursday, September 27, 2018 at 5.00 pm [IST]. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 21, 2018 (record date) may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Members should log on to the e-voting website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Members.
- (v) Now Enter your User ID
  - a. For Members having demat account with DP connected to CDSL: Please enter 16 digits beneficiary ID as your User ID,
  - b. For Members having demat account with DP connected to NSDL: Please enter 8 Characters DP ID followed by 8 Digits Client ID as your User ID,
  - c. For Members holding shares in physical form : Please enter Folio Number registered with the Company as your User ID.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, please follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (EVSN) 180822051 for DIL Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xix) Members can also cast their votes using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.
- (xx) Note for Non-Individual Members and Custodians
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

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

Tel: +91-22-6798 0800/888 • Fax: +91-22-6798 0899

• Email: [contact@dil.net](mailto:contact@dil.net) • Website: [www.dil.net](http://www.dil.net)

### ATTENDANCE SLIP

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

Folio No. .... DP ID No .....

Client ID No. .... No. of Shares .....

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

.....

.....

I hereby record my presence at the Sixty-Sixth Annual General Meeting of the Company held at Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) 400 610 on September 28, 2018 at 3.00 p.m.

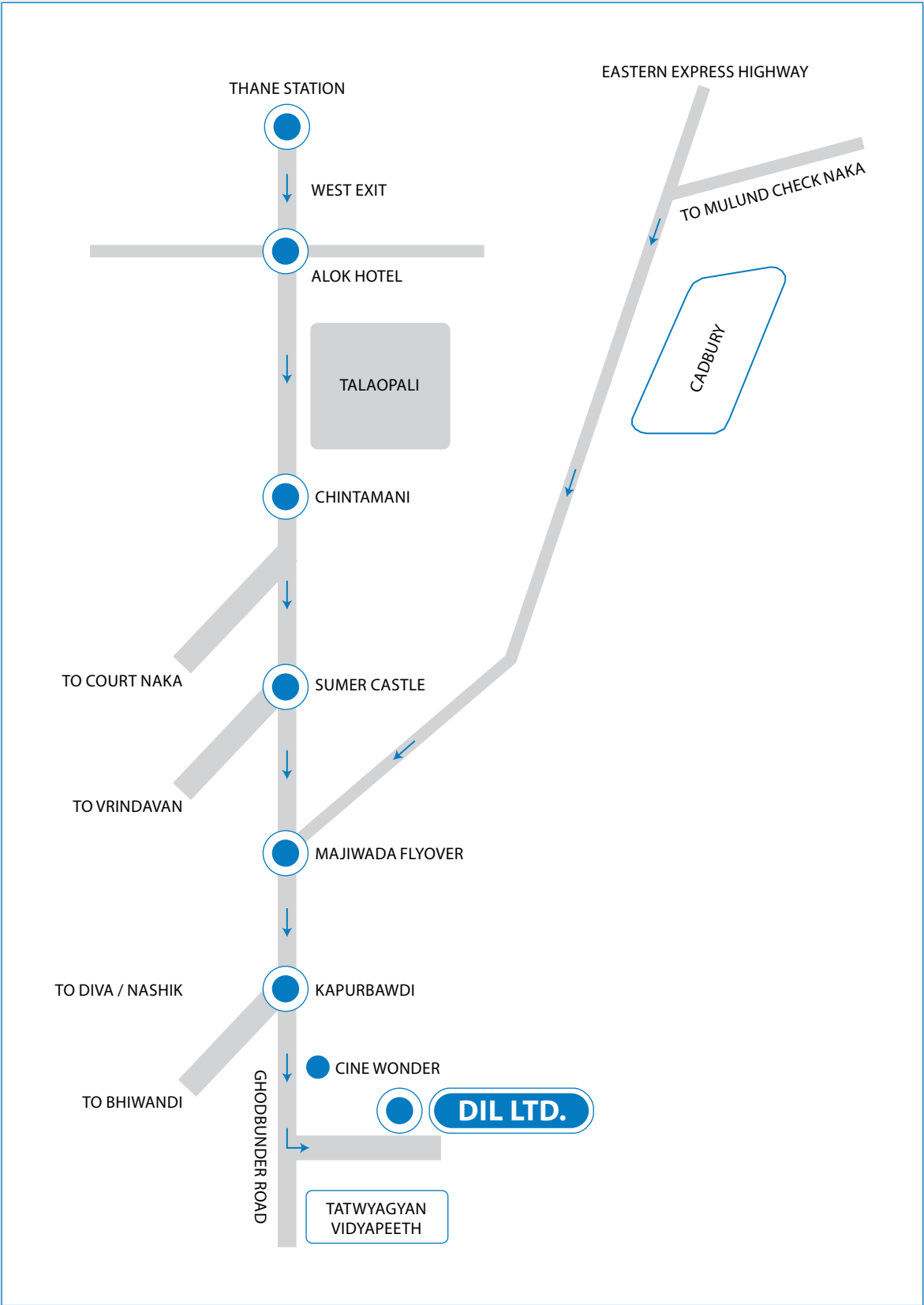
.....  
Member(s)/Proxy's Signature

**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.



66TH AGM VENUE'S ROADMAP







## DIL LIMITED

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• Email: contact@dil.net • Website: www.dil.net

### PROXY FORM

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

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: ..... or failing him / her

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Sixty Sixth Annual General Meeting of the Company, to be held on September 28, 2018 at 3.00 p.m. at Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (W) – 400 610 and at any adjournment thereof in respect of such resolutions as are indicated herein:



Resolution No.	Description
1	To receive, consider and adopt: (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, 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, 2018 along with the Report of the Auditors thereon.
2	To declare dividend of Rs. 1.25 per equity share of Rs. 5 each for the financial year ended March 31, 2018.
3	To appoint a Director in place of Ms. Rajeshwari Datla (DIN: 00046864), who retires by rotation and being eligible offers herself for re-appointment.
4	To ratify the appointment of Statutory Auditors and to fix their remuneration
5	Re-appointment of Mr. Krishna Datla as Managing Director

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Member: .....

Place:

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

**Note:**

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

## Notes

## Notes

# Corporate Information

## CHAIRMAN EMERITUS

**Mr. G. G Desai**

## BOARD OF DIRECTORS

**Mr. Sanjay Buche**

*Chairman and Independent Director*

**Mr. Vinayak Hajare**

*Independent Director*

**Ms. Rajeshwari Datla**

*Non-Executive Director*

**Mr. Satish Varma**

*Non-Executive Director*

**Mr. Krishna Datla**

*Managing Director*

## COMPANY SECRETARY

**Mr. Srikant N. Sharma**

## CHIEF FINANCIAL OFFICER

**Mr. Sumesh Gandhi**

## SOLICITORS

**Crawford Bayley & Co.**

**Mundkur Law Partners**

## AUDITORS

**Deloitte Haskins & Sells LLP**

*Chartered Accountants*

## TAX 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

Indusind Bank

Kotak Mahindra Bank

## CORPORATE IDENTIFICATION NUMBER (CIN)

L99999MH1951PLC008485

## INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN):

INE225B01021

## REGISTERED OFFICE

A -1601, Thane One, DIL Complex,  
Ghodbunder Road, Majiwada,  
Thane (West) – 400 610

Maharashtra, India.

Tel No : + 91 22 66230800

Fax No : + 91 22 6798 0899

E-mail : [contact@dil.net](mailto:contact@dil.net)

## WEBSITES

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

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

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

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

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

## REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited

C 101, 247 Park,

L B S Marg, Vikhroli West,

Mumbai 400 083

Maharashtra, India

Tel No : +91 22 49186000

Fax No: +91 22 49186060

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

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

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## WEBSITE

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

