



29th September, 2017

To, The Manager, Listing Department, National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. Ref. : (i) Symbol – DCAL (ii) Series – BE	To, Department of Corporate Services Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Ref.: Scrip Code No. : 540701
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SUB.: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2016-2017 AS PER REGULATION 34 OF SEBI (LODR) REGULATIONS, 2015

Dear Sir,

With reference to the captioned subject, please find enclosed herewith the copy of Annual Report of the Company for the Financial Year 2016-2017 including the Notice of Annual General Meeting (AGM), Audited Annual Accounts (including Audited Consolidated Annual Accounts) for the year ended 31st March, 2017 along with necessary annexure & Reports of Directors' and Auditors' thereon, duly approved and adopted by the Members of the company at its Annual General Meeting held on 28th September, 2017.

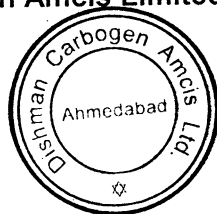
The said Annual Report also contains the Corporate Governance Report, Management Discussion & Analysis Report, Business Responsibility Report, Practicing Company Secretary's Certificate on Corporate Governance and Secretarial Audit Report as per the relevant provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015.

Kindly take this on your record.

Thanking you.

Yours faithfully,
For, Dishman Carbogen Amcis Limited


Shrima Dave
Company Secretary



Encl.: As above

Dishman Carbogen Amcis Limited

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E-mail : dcal@dishmangroup.com Website : www.dishmangroup.com

CIN No. : U74900GJ2007PLC051338



ENERGISE YOUR
SCIENCE FOR LIFE

10th Annual Report
2016 – 2017

Dishman Carbogen Amcis Limited



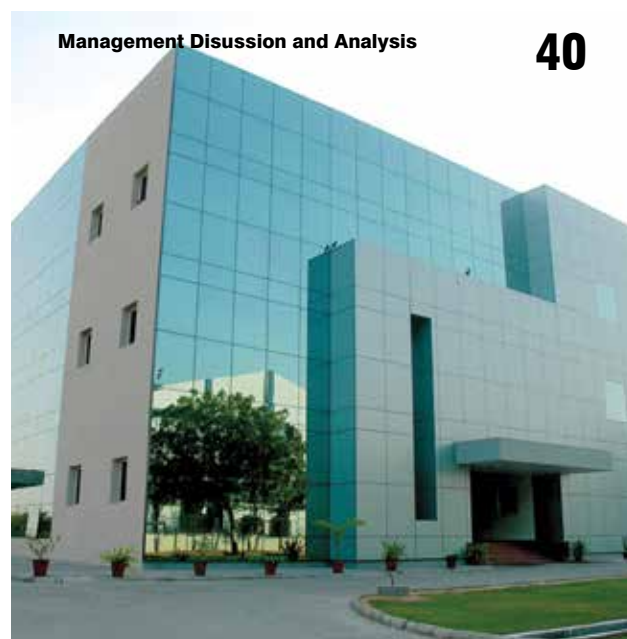
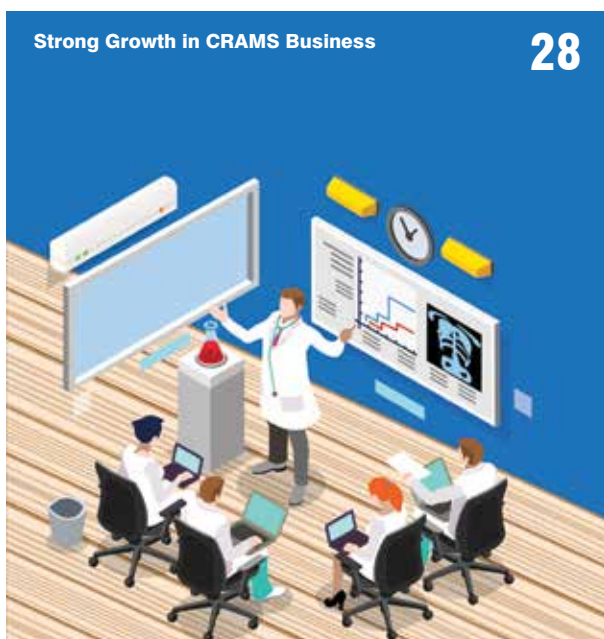
Energising Science for Life

At Dishman, we serve an array of customers in key advanced markets in the global Contract Research & Manufacturing space, with a strong pedigree for delivery excellence. We become life-long partners of our customers by supporting them right from the early stages of drug discovery to higher commercial volume manufacturing.

Moving ahead, we are directing our energies towards high-growth opportunities with a focus on segments with better margins. We are continuously consolidating our capabilities to strengthen our global presence and deliver added shareholder value. We are also improving our productivity and focussing on efficient resource utilisation to remain competitive and enhance profitability.

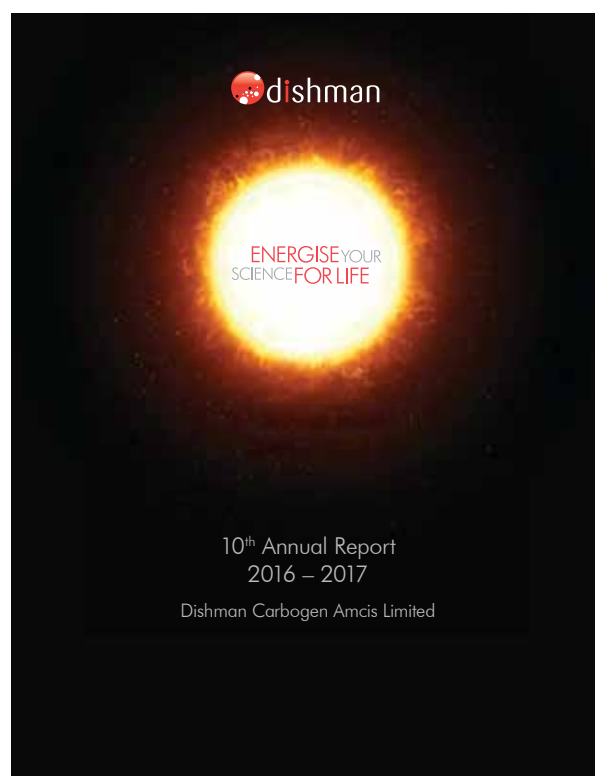
Our reverse merger has created a credible balance sheet that helps us grow our scale sustainably. It has showcased the Group as a formidable CRAMS player. Going forward, we aim for a wider product basket to generate enhanced revenues, efficiently service the needs of the global pharmaceutical industry and chart sustained growth strategies.

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The merger of Dishman Pharmaceuticals and Chemicals with its subsidiary Carbogen Amcis (India) Limited will enhance its capability to provide a wider portfolio of products and services, with a diversified resource base and deeper client relationships. Its global footprint and product portfolio, post merger, is set to create a formidable entity that will build enduring value for the stakeholders.



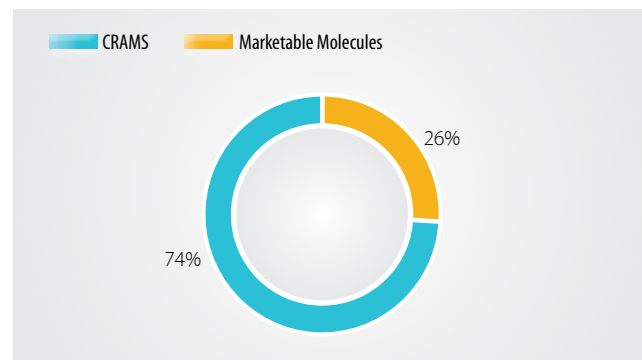
At a Glance

We are a fully-integrated CRAMS (Contract Research & Manufacturing) player with global pharma innovators. We have a global presence with development and manufacturing sites at Europe, India and China. We provide an end-to-end integrated high-value low-cost CRAMS offerings right from process research and development to late stage clinical and commercial manufacturing and supply of active pharmaceutical ingredients or APIs to innovator pharmaceutical companies.

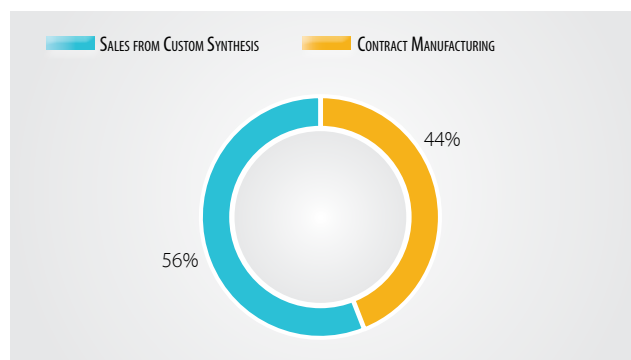
We provide assistance to drug innovators for development and process optimisation for novel drug molecules, which are in various stages of the development process. Once the innovative molecules are approved, we explore further possibility of large-scale commercial supply tie-ups.

We generate a healthy pipeline of contract manufacturing opportunities commensurate to the growing revenue base of manufacturing, based on our robust business model capable of sustaining growth and with CRAMS being our growth driver. We are a leading global outsourcing partner for the pharmaceutical industry offering a portfolio of development, scale-up and manufacturing services. We mainly focus on the therapeutic segment – oncology – and want to extend our presence to areas of ophthalmic, CNS and cardiovascular.

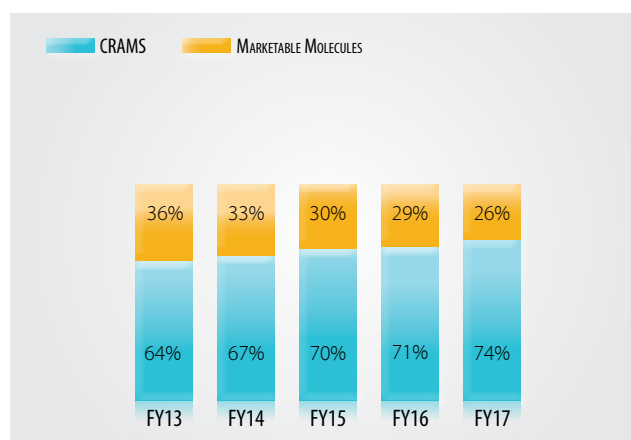
OUR REVENUE CONTRIBUTION



OUR CRAMS BUSINESS



OUR REVENUE MIX (%)



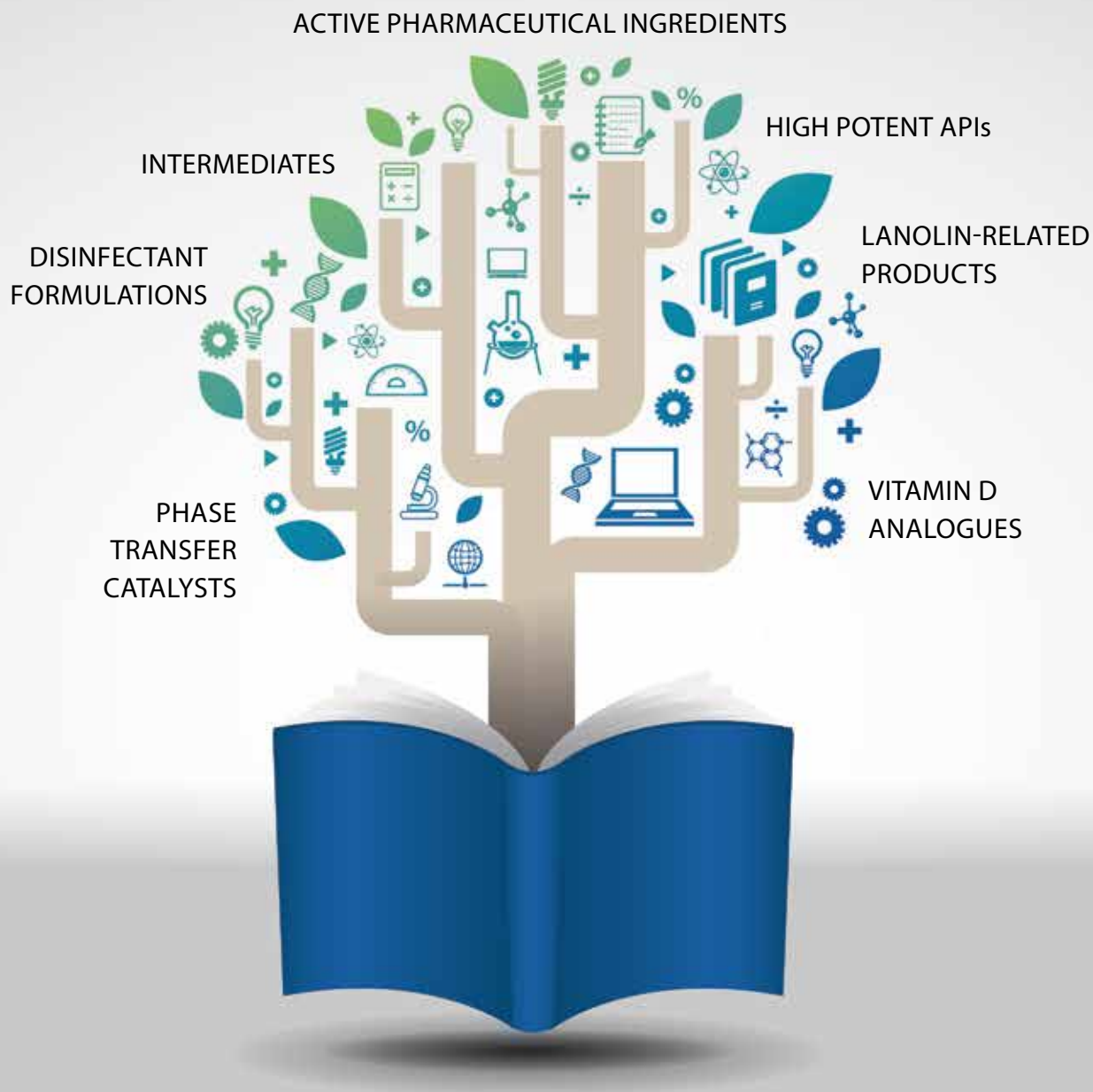
OUR RISING REVENUES

	(₹ In Million)
FY2013	12,722
FY2014	13,853
FY2015	15,887
FY2016	16,017
FY2017	17,137

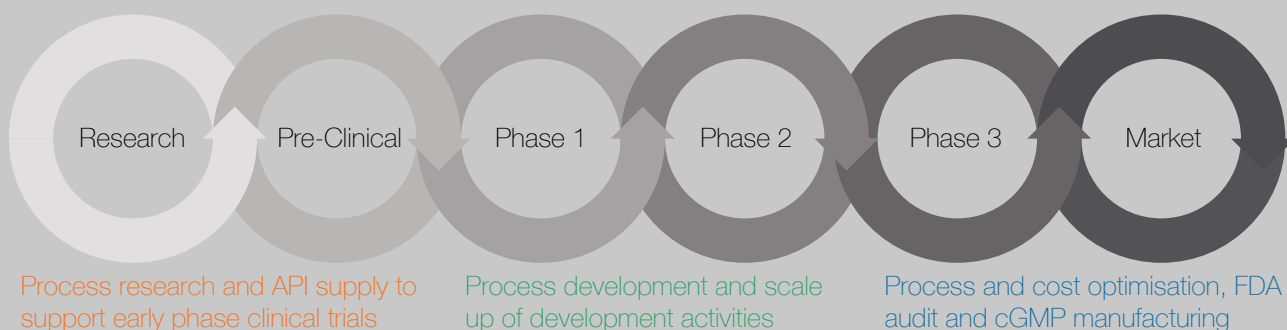
OUR COMPETITIVE ADVANTAGES

- Preferred global outsourcing partner with capabilities across the entire CRAMS value chain, strong chemistry skills, large-scale multi-purpose manufacturing capacities.
- Upfront investment of ₹ 10 billion in capacity expansion, making us highly leveraged to gain from a revival in the global CRAMS industry.
- Asia's largest HiPo facility at Bavla, India, enabling us gain from the high-margin HiPo opportunity in the oncology and HiPo space.

Our Product Basket



Our Presence Across The Value Chain



The key objective behind the merger has been to realise the business potential, yield beneficial results and enhance value creation for shareholders, creditors and the employees.



STRONG MANUFACTURING CAPABILITIES



STRONG RESEARCH CAPABILITIES

One Company, Two Brands

The merger of the parent company Dishman Pharmaceuticals and Chemicals, with its subsidiary Carbogen Amcis (India) Limited, re-emphasises our ongoing strategy of “One Company, Two Brands”. It is set to enhance the Company’s potential and increase our capability of offering a wider portfolio of products and services, with a diversified resource base and deeper client relationships.

During the year under review, Dishman Pharmaceuticals and Chemicals Limited (DPCL) and Dishman Care Limited (DCL) were merged with DPCL’s subsidiary Carbogen Amcis (India) Limited. Subsequently, the name of Carbogen Amcis (India) Limited has been changed to Dishman Carbogen Amcis Limited (DCAL).

The amalgamation re-emphasises our strategy of “One Company, Two Brands”, through which the Dishman Group has been delivering complex solutions catering to the diverse needs of global customers. This amalgamation is aimed at providing a high level of synergistic integration of operations and a better operational management. It will also strengthen the balance sheet and consolidate operating entities for better operational control.

The merger’s key objective has been business consolidation and simplification of Group structure. It aims at realising the business potential, yield beneficial results and enhance value creation for shareholders, creditors and the employees.

Optimising Financial Resources

Synergies arising out of this consolidation will enhance the network of the combined business, earnings and cash flow and improve alignment of debt. The amalgamated company will be able to better leverage on its large network base and have an enhanced potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.

The merger will result in financial resources being efficiently merged and pooled. This will lead to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads. It will result in greater efficiency in management of business, simplicity and reduction in regulatory compliances and cost. It will also improve and consolidate internal controls and functional integration at various levels such as information technology, human resources, finance, legal and general management. This is aimed at creating an effective organisation capable of responding swiftly to volatile and rapidly changing market scenarios.

Our Integrated Approach

We are an integrated CRAMS player present across the value chain from building blocks to commercialisation and launch stage. We have a broad-based skill set and a global footprint, with the ability to retain client services through the complete development of a drug.

What makes us a preferred global outsourcing partner?



Integrated across the value chain



Strong chemistry capabilities



Close proximity to clients with global presence



Large-scale low cost manufacturing capacities



CARBOGEN
AMCIS

STRONG RESEARCH CAPABILITIES



dishman

STRONG MANUFACTURING CAPABILITIES

Integrated CRAMS Player

Supporting the development process from bench to market

Process research and development for supply of APIs for pre-clinical studies, clinical trials and commercial use

Large dedicated R&D centre with multiple shift R&D operations (India, Europe)

Multi-purpose and dedicated production facilities for APIs and intermediates (India, Europe and China)

Dedicated API manufacturing capacities (India, China)

Large scale Hipotency API manufactures capability



Corporate Information

BOARD OF DIRECTORS

Mr. Janmejy R. Vyas
Chairman & Managing Director
(DIN 00004730)

Mrs. Deohooti J. Vyas
Whole time Director
(DIN 00004876)

Mr. Arpit J. Vyas
Managing Director & CFO
(DIN 01540057)

Mr. Mark C. Griffiths
Director & Global CEO
(DIN 06981744)

Mr. Sanjay S. Majmudar
Director (DIN 00091305)

Mr. Ashok C. Gandhi
Director (DIN 00022507)

Mr. Subir Kumar Das
Director (DIN 02237356)

Mr. Rajendra S. Shah
Director (DIN 00061922)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Sanjay S. Majmudar, Chairman
Mr. Ashok C. Gandhi
Mr. Subir Kumar Das

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sanjay S. Majmudar, Chairman
Mr. Ashok C. Gandhi
Mr. Subir Kumar Das

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Sanjay S. Majmudar, Chairman
Mr. Janmejy R. Vyas
Mr. Ashok C. Gandhi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Janmejy R. Vyas, Chairman
Mr. Arpit J. Vyas
Mr. Sanjay S. Majmudar

MANAGEMENT COMMITTEE

Mr. Janmejy R. Vyas, Chairman
Mr. Arpit J. Vyas
Mrs. Deohooti J. Vyas

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Shrima Dave

STATUTORY AUDITORS

V. D. Shukla & Co.
Chartered Accountants
B-213, Gopal Palace,
Nr. Shiromani Flats,
Opp. Ocean Park,
Shivranjani-Nehrunagar Road,
Nehrunagar, Ahmedabad – 380015

Haribhakti & Co., LLP
Chartered Accountants
701, Leela Business Park,
Andheri Kurla Road, Andheri (E),
Mumbai – 400059.

INTERNAL AUDITORS

Shah & Shah Associates
Chartered Accountants
702, Aniket,
Nr. Municipal Market,
Navrangpura,
Ahmedabad 380009.

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.
C-101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai – 400 083.
Tel. No.: 91-22-4918 6000
Fax No.: 91-22-4918 6060
Email: mumbai@linkintime.co.in

REGISTERED OFFICE

Bhadr-Raj Chambers,
Swastik Cross Road,
Navrangpura,
Ahmedabad – 380 009.
Tel. No.: 91-79-2644 3053, 2644 5807
Fax No.: 91-79-2642 0198
Email: dishman@dishmangroup.com
Website: www.dishmangroup.com

WORKS

Phase-IV, 1216/20, GIDC Estate,
Naroda, Ahmedabad - 382 330.
(Also other plots in Phase - I and IV)

Survey No. 47, Paiki Sub Plot No. 1,
Village – Lodariyal,
Taluka Sanand,
District - Ahmedabad - 382 220.
(Also various other plots)

BANKERS

- State Bank of India
- Bank of Baroda
- Corporation Bank
- DBS Bank Ltd.
- Doha Bank

CIN NO.

U74900GJ2007PLC051338

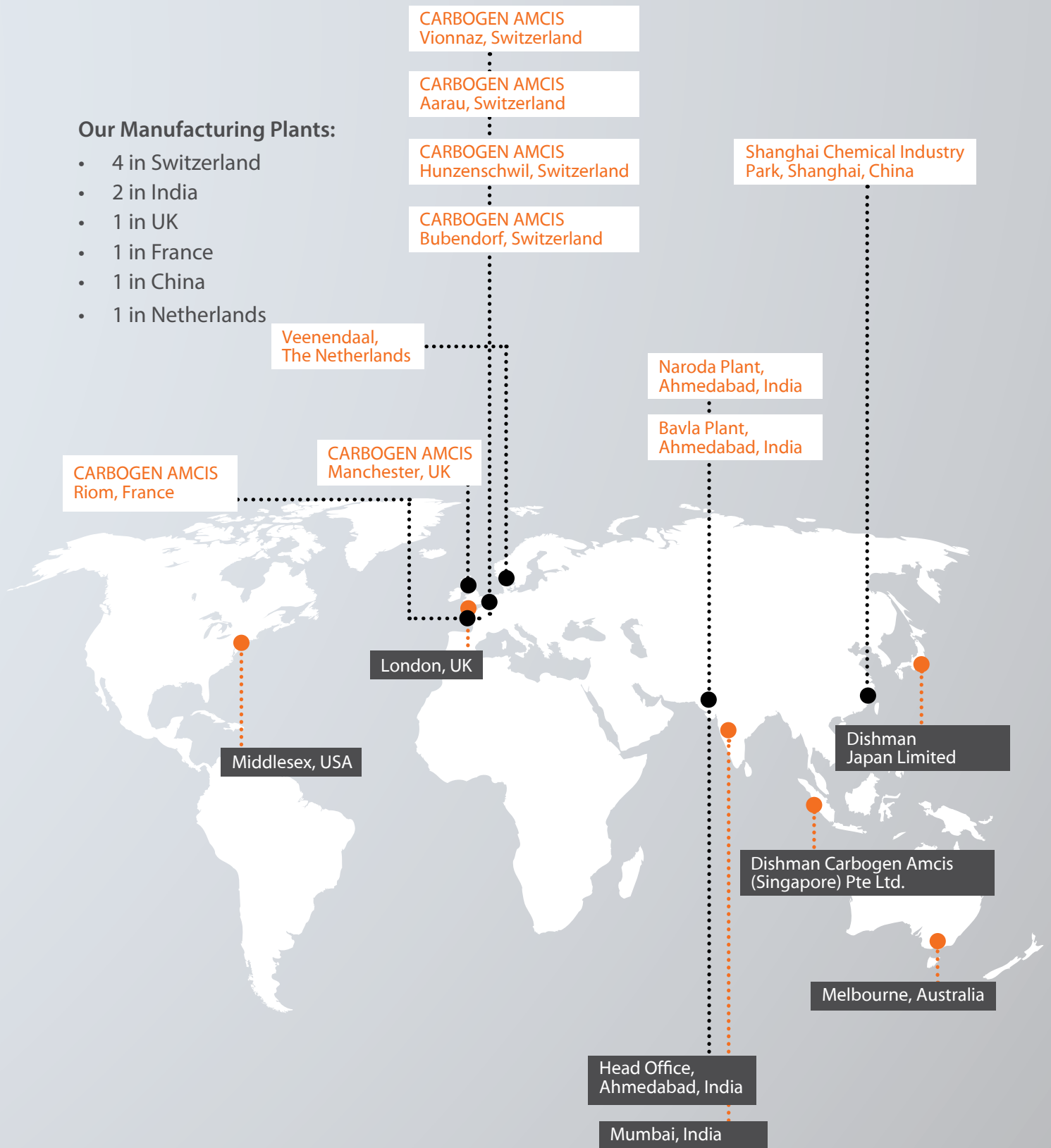
SUBSIDIARY COMPANIES

- Dishman Europe Ltd.
- Dishman USA, Inc.
- Dishman International Trading (Shanghai) Co. Ltd.
- Dishman Switzerland Ltd.
- CARBOGEN AMCIS Holding AG
- CARBOGEN AMCIS (Shanghai) Co. Ltd.
- CARBOGEN AMCIS AG
- CARBOGEN AMCIS LTD. (U. K.)
- Innovative Ozone Services Inc. (IO3S)
- Dishman Netherlands B.V.
- Dishman Japan Ltd.
- Dishman Australasia Pty. Ltd.
- Dishman Middle East (FZE)
- CARBOGEN AMCIS SAS, France
- Shanghai Yiqian International Trade Co. Ltd.
- Dishman Carbogen Amcis (Singapore) Pte. Ltd.

Global Presence

Our Manufacturing Plants:

- 4 in Switzerland
- 2 in India
- 1 in UK
- 1 in France
- 1 in China
- 1 in Netherlands



● Sites
● Sales Offices

Facilities are approved by recognised Health Authorities:
USFDA, MEB, SWISS MEDIC, ANSM, TGA, WHO, KFDA

Our Manufacturing Facilities

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A diversified manufacturing base in India, UK, China, Switzerland and Netherlands provides risk mitigation and helps the Company gain better orders and greater momentum in commercial orders.



**BAVLA, GUJARAT,
INDIA – UNIT 1**

- ◆ Dedicated API, 5 Reactors, Total capacity 33KL (SS, GL & Hastalloy)
- ◆ Class 100,000 finishing area



**BAVLA, GUJARAT,
INDIA – UNIT 6**

- ◆ Multi-purpose API facility
- ◆ 8 Reactors, total capacity of 12KL (GL & SS) including powder processing
- ◆ Class 100,000 finishing area



**BAVLA, GUJARAT,
INDIA-UNIT 7A, 7H, 7O**

- ◆ Multi-purpose plant for starting material
- ◆ 39 Reactors of total capacity 235 KL total
- ◆ High vacuum distillation
- ◆ 4 Hydrogenation Reactors 2 x 6KL, 1 x 3KL and 1 x 1KL
- ◆ Three Ozonolysis Reactors (60 L, 1 KL, 2.5 KL)
- ◆ 15 and 0.4kg/hr Ozone generators



**BAVLA, GUJARAT,
INDIA – UNIT 8**

- ◆ Multi-purpose API facility
- ◆ 34 Reactors total capacity of 216KL (GL&SS)
- ◆ Class 100,000 finishing areas



**BAVLA, GUJARAT,
INDIA – UNIT 9**

- ◆ HiPo API facility with DCS controlled automated glove box technology
- ◆ 4,300 sq mt area operating at Category 4 (OEL Band <1µg/m³)
- ◆ Two cells with 3 reactors each and filter/drying
- ◆ 2 additional cells and 1 custom block designed for future expansion
- ◆ Dedicated Quality Control and R&D facility



BAVLA, GUJARAT, INDIA – UNIT 2

- ◆ Two modular mid-scale API plant with 24 Reactors, Total capacity 37 KL
- ◆ Class 100,000 finishing areas
- ◆ Thin film evaporator (Capacity 0.45 mt sq)
- ◆ 2 KL Cryogenic reactor
- ◆ High vacuum distillation facility (0.5 m bar)



BAVLA, GUJARAT, INDIA – UNIT 3

- ◆ Three Multi-purpose development pilot plants
- ◆ 32 Reactors, Total capacity 30KL and 4 cryogenic reactors
- ◆ High vacuum distillation



BAVLA, GUJARAT, INDIA – UNIT 4

- ◆ Dedicated starting material plant
- ◆ 11 Reactors, Total Capacity 39KL
- ◆ High vacuum distillation



BAVLA, GUJARAT, INDIA – UNIT 5

- ◆ Intermediate Manufacturing facility
- ◆ Solvent distillation facility



BAVLA, GUJARAT, INDIA – UNIT 10

- ◆ Disinfectant formulation plant for Aerosols, and hard surface disinfectants
- ◆ Class 100,000 finishing area with 5 filling lines
- ◆ Formulation & Development



BAVLA, GUJARAT, INDIA – UNIT 13

- ◆ Multi-product facility
- ◆ Dedicated staff for manufacturing, QC, QA and Engineering support



NARODA, GUJARAT, INDIA

- ◆ APIs, quaternary biocides & fine chemicals
- ◆ Approx 20 major products (Bisacodyl, CPC, Cetrimide)



PILOT PLANT, NARODA, GUJARAT, INDIA

- ◆ KiloLab reaction capacity 4 X 30 – 100 L reactors
- ◆ GMP pilot plant 10 x 250-1000L
- ◆ Class 100,000 finishing area

Our Manufacturing Facilities

Our CRAMS division will lead future growth, assisted by commercial supplies of new molecules and a ramp-up in supplies of oncology products from its HiPo facility.



CARBOGEN AMCIS AG, SITE BUBENDORF & HEADQUARTER, SWITZERLAND

- ◆ Lab, administration and containment facilities with 240 employees
- ◆ Clean room dedicated for Antibody Drug Conjugates
- ◆ Multi-purpose clean room dedicated for purification of high-potent by HPLC process
- ◆ Process optimisation and supply of late-phase and commercial APIs
- ◆ Inspected by FDA, SwissMedic and Korean Health Authority MFDS
- ◆ Holds accreditation as foreign manufacturer for Japan



CARBOGEN AMCIS AG, SITE VIONNAZ, SWITZERLAND

- ◆ Significant increase in development and manufacturing capacity on High potent APIs
- ◆ From gram to kilogram scale; Categories 3 and 4
- ◆ GMP compliant; Swissmedic
- ◆ Combination of the initial team knowledge and CARBOGEN AMCIS expertise



CARBOGEN AMCIS LTD., SITE MANCHESTER, UK

- ◆ Specialises in process research and non-GMP custom synthesis of pharmaceutical intermediates with 45 employees
- ◆ Larger capacity (up to 4,500 L) facilitates production of early-phase APIs and large-scale intermediates



CARBOGEN AMCIS SAS, SITE RIOM, FRANCE

- ◆ 10,000 m² site with 21 highly-qualified specialists
- ◆ Primary focus on formulation of new products and aseptic drug products of preclinical and clinical batches of injectables in liquid or freeze-dried form
- ◆ 400 m² production area with clean rooms and separate laboratories for formulation development and quality control (micro-biological and analytical controls)
- ◆ Inspected by French Health Authority ANSM



CARBOGEN AMCIS AG, SITE AARAU, SWITZERLAND

- ◆ Primary focus on process research and early-phase API supply with 108 employees
- ◆ Primary location for chromatography and product-handling facilities
- ◆ SwissMedic inspected
- ◆ US FDA inspected



CARBOGEN AMCIS AG, SITE NEULAND, SWITZERLAND

- ◆ Primary location for ICH stability studies and solid state services with 43 employees
- ◆ Inspected by the SwissMedic and Korean Health Authority MFDS
- ◆ US FDA inspected



DISHMAN NETHERLANDS B.V., VEENENDAAL, THE NETHERLANDS

- ◆ Primary location for manufacture and marketing of Vitamin D analogues, Vitamin D3, Cholesterol and Lanolin related products
- ◆ Operates under cGMP; ISO 9001 and 14001 certified
- ◆ FDA inspected; Holds Certificate of Suitability by EDQM and DMFs



CARBOGEN AMCIS (SHANGHAI) CO. LTD., SITE SHANGHAI, CHINA

- ◆ Production and supply of pharma intermediates and APIs under cGMP
- ◆ Ten reactors from 2500L to 8000L scale
- ◆ Allows larger production of nominal batch sizes of 150kg to 630kg
- ◆ Dedicated analytical and QC capability
- ◆ Fully qualified process control and monitoring systems
- ◆ On-site bulk solvent storage and waste treatment facilities

Our Business Verticals

1. CRAMS

We have a well-diversified client profile with top 10 clients contributing about 35% to total sales. We are in a strong position to drive business growth in the CRAMS space. The vertical posted revenues of ₹ 12,596 million, compared to ₹ 11,425 million in the previous year. Within CRAMS, Carbogen Amcis contributed 72% to the total revenues and grew 17% YoY, aided by strong pipeline and execution of high-margin commercial and development orders, process improvements and a better product mix. On the other hand, Vitamin D business grew 8%. The shift to supplying Vitamin D3 to high-margin Vitamin D analogues and the cholesterol business will boost operating margins.

Growth Drivers for CRAMS

- Strong Phase 3 custom synthesis pipeline culminating into high-margin commercial manufacturing opportunities
- Growing client base helping build a drug portfolio
- Contract manufacturing of API for HiPo and other niche products

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We offer a portfolio of drug development and commercialisation services to pharmaceutical industry at all stages of new drug development.

REVENUE FROM CRAMS

	(₹ In Million)
	Revenue
FY2013	8,133
FY2014	9,335
FY2015	11,009
FY2016	11,425
FY2017	12,596

Dishman Carbogen Amcis Limited offers a portfolio of drug development and commercialisation services to pharmaceutical industry at all stages of new drug development. The Company's focus is on supporting the development process from bench to market. The Company's contract research services and development arm, Switzerland-based Carbogen Amcis (CA), with a strong order book, is expected to support growth over the next 12 months. This subsidiary accounts for nearly 55% of the Company's revenue. CA's facility is currently operating near full utilisation and it is increasing further capacity by investing about US\$ 20 million. This should enable it to ramp up its research and development business. The segment's operating profit margin expanded by 220 basis points in FY2017 to 19.9%, thanks to the 'higher margin' commercial production work. The Company's contract research and manufacturing (CRAMS) division may lead this growth, assisted by commercial supplies of two new molecules and a ramp-up in supplies of oncology products from its HiPo (highly potent) products facility.



CARBOGEN AMCIS AG, SITE
VIONNAZ, SWITZERLAND

Our Business Verticals



2. MARKETABLE MOLECULES

Under this vertical, we operate through four sub-segments – generic APIs, specialty chemicals (quats), vitamins & chemicals and disinfectants. We have moved away from the formulation of Vitamin D products to Vitamin D analogues with higher margins. We are now focussed on Calcifediol which is a highly concentrated Vitamin D analogue. Apart from Vitamin D, we are building our presence in the disinfectant business and are gradually scaling our operations. Moreover, on the generic API side, we are more focussed on developing niche generic APIs and not the “me too” type products.

The vertical posted revenues of ₹ 4,541 million, compared to ₹ 4,592 million in the previous year, on account of our exit from Vitamin D orals, phasing out of certain low margin molecules and focus on Vitamin D analogues as well as our strategy of moving away from low margin products.

.....

₹ 4,541 Million
Revenue from
Marketable Molecules

REVENUE FROM MARKETABLE MOLECULES

	(₹ In Million)
	Revenue
FY2013	4,590
FY2014	4,518
FY2015	4,743
FY2016	4,592
FY2017	4,541

CMD's Message



Janmejay R. Vyas
Chairman & Managing Director

.....

10.5%

YoY Growth in EBITDA

Dear Shareholders,

I begin this letter with a sense of gratitude and pride about Dishman that has only grown stronger over the course of the decade. Ours is an exceptional company with a heritage and a promising future.

FY2017 was a strong year for the Company. A year that witnessed record sales and earnings, substantial return of capital to shareholders and remarkable progress in the drive to define and re-emphasise our strategy of "One Company, Two Brands".

During the financial year under review, Dishman Pharmaceuticals and Chemicals Limited (DPCL) and Dishman Care Limited (DCL) were merged with DPCL's subsidiary Carbogen Amcis (India) Limited to form Dishman Carbogen Amcis Limited (DCAL). The key objective behind this reverse merger has been business consolidation between the operating entities for better synergy and control. The merger will enhance our capability to provide a wider portfolio of products and services, with diversified resource base and deeper relationships with our clients. The Board and the entire leadership team played a key role in executing this key transaction. Post-merger, our global footprint, product portfolio and human capital will create a formidable entity to build enduring value for our stakeholders.

FINANCIAL PERFORMANCE

Fall in raw material prices, cost rationalisation and a better product mix led to an expansion in margins during the year. Our Revenue from Operations stood at ₹ 17,136.90 million, higher by 7% compared to ₹ 16,016.90 million in the previous financial year. EBITDA was ₹ 4,533.5 million, a growth of 10.5% against ₹ 4,103.2 million earlier. Our EBITDA margin was 26.5%, higher by 84 basis points vis-à-vis 25.6% in the previous year. Profit After Tax was ₹ 1,454.30 million, compared to ₹ 1,026.90 million, higher by 41.6%. Moving ahead, we are sharpening our focus on profitability by scaling down low-margin products.

In the CRAMS segment, Carbogen Amcis was the best performer with revenue of ₹ 9,120.50 million, which represents 17% growth over the last financial year. In the Marketable Molecules segment, Dishman Netherlands was the best performer with ₹ 2,414.30 million revenue, which represents 8% growth over the last financial year.

SEGMENTAL REVENUE

Revenues in Carbogen Amcis were higher due to a higher share of development orders, whereas operating margins were higher due to continued execution of high margin commercial and development orders, process improvement and a better product mix. The business is currently operating at 95% capacity utilisation. We hope to create additional capacity through de-bottlenecking and an expansion which can scale up our oncology Phase 2 development business. The increased capacity will be available from FY2019 onwards. We added new clients on the business development front.

Revenues of Dishman Netherlands also grew YoY. The unit has strategically discontinued the supply of certain lower margin orders. It continues to consolidate its focus on the high-margin Vitamin D analogues and cholesterol business. This is reflecting in an improvement of our EBITDA margins. Overall, we are optimistic on the outlook for Vitamin D3 business and are looking to grow the higher value Vitamin D analogue part of the business. Some new exciting product development strategies are being developed for this segment. Revenues have also increased due to higher sale of Vitamin D analogues and direct selling of cholesterol to end-customers.

FY2017 IN BRIEF

During the year, we were supported by a greater momentum in commercial orders, strong CRAMS business and our focus on the high-margin Vitamin D business. A diversified manufacturing base in India, UK, China, Switzerland, Netherlands, among others, provided risk mitigation and also helped us gain better orders and greater momentum in commercial orders. Currently, both the operational cells at the HiPo facility are completely occupied and the 3rd and 4th cell are expected to get activated soon. As we move ahead, we continue to focus on improvement in operational profitability and efficiency across global operations.

We have never been more excited about the opportunities ahead. Our focus on innovation and optimisation to meet new challenges will result in dynamic changes to our business model, as we position our businesses for the future.

We attribute our success completely to our people. They are knowledgeable, dedicated and deeply embedded in the areas they serve. We are excited by the enthusiasm they show every single day and are proud to work with an incredible team.

I would like to thank all my colleagues for their hard work and valued contribution. The road ahead definitely seems bright and promising.

We are also grateful to the Board for their unwavering support and guidance. We express our gratitude to all our shareholders and partners for their trust and support.

Sincerely,

Janmejay R. Vyas
Chairman & Managing Director

Managing Director's Message



Arpit Vyas
Managing Director & CFO

.....
30%

China Facility Crosses
Milestone Capacity
Utilisation

Dear Shareholders,

I am happy to communicate with you once again through our Annual Report. FY2017 added yet another milestone in our journey of capturing outstanding growth and consolidating business parameters on all fronts. We elevated our place in the market and optimised our resources.

We spent the year with a strong focus on reinforcing our market position. Our net revenues have been higher due to strong growth in CRAMS business. We have a formidable pipeline with one of the key oncology molecules approved by USFDA in the last financial year, while 15-16 more projects which are close to commercialisation. Few more candidates are in early Phase 3 across Carbogen and Indian facilities.

After establishing a core profitability base, we are now aiming to step up our revenue growth momentum in the coming years. Net revenues were higher due to strong growth in our CRAMS business.

OPPORTUNITY IN CRAMS

We expect CRAMS to contribute a larger portion of 75% by FY2019, while the share of marketable molecules will decline to 25%. During the year under review, a fall in raw material prices, cost rationalisation and a better product mix enabled margin expansion. Our CRAMS division may lead growth, assisted by commercial supplies of new molecules, growth in base business and a ramp-up in supplies of oncology products from HiPo products facility.

We have enough manufacturing capacity to add more products or expand production of the existing products. The commencement of high value commercial supplies of an innovative product has improved margins. In addition, revenue flow from our high margin oncology Hi-Po facility is expected to aid revenue growth and overall profitability. The CRAMS business is expected to pick up over the coming quarters with initiation of supplies against new contracts.

.....

During the year, we expect commercialisation of 1-2 NCEs, which may necessitate minor capacity enhancements in India. We have already begun work on activating 2 more cells in our HiPo facility, which will soon be ready.

The capacity of Unit 9 at Bavla is entirely sold out. During the year, we expect commercialisation of at least one NCE, which may necessitate minor capacity enhancements. We have already begun work on activating 2 more cells which will soon be ready. Meanwhile, our China facility is currently operating at 30% capacity utilisation. We have begun to utilise the facility for supplying key intermediates and have started securing new client business.

We are also witnessing traction in our Disinfectant vertical in securing contract manufacturing business. We also remain focussed on identifying difficult to manufacture generic APIs such as those used in contrast media applications.

MOVING AHEAD

As we look forward, our strategic priorities are clear. We are taking earnest efforts to exceed the expectations of our stakeholders by driving innovation and strengthening our business processes. We remain committed to growing with discipline and will continue to take a long-term view with our business. We are confident that Dishman will grow from here to become an even stronger company in the years to come with better performance, productivity and efficiency.

I would like to thank all my colleagues in all over the world for their hard work and valued contribution. We are confident the road ahead is bright and promising.

We are also grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our shareholders and partners for their support.

Regards,

Arpit Vyas
Managing Director & CFO

Global CEO's Message



Mark Griffiths
Global Chief Executive Officer
Member of the Board

.....

₹ 200 Crores

Planned Capex for
next 2 Years

Dear Shareholders,

It is our pleasure to present to you the Annual Report for the year ended March 31, 2017. I am happy to report to you that your Company recorded a significant all-round development in performance, enabling us to gain a strong foothold in the global market.

Our "One Company, Two Brands" strategy signifies two brands – Carbogen Amcis and Dishman – symbolising different sets of skill sets and capabilities. Carbogen Amcis is our front-end interface that engages with customers from the early stages of research and clinical trials. Through Dishman, our customers derive further value by getting scaled up towards the Asian cost base and commercial production using our capabilities in India and China. It is this strategy that helps us deliver complex solutions suiting the diverse needs of global customers appropriately. We serve our customers across the key advanced markets of US, Europe and Asia through our wide range of research competencies and manufacturing capacities.

OUR VERTICALS

Among our business verticals, Carbogen Amcis will continue to grow due to its unique capabilities. Our current development order book at Carbogen Amcis is CHF 90 million to be executed over the next 12 months. Our "Expansion Plan 2020" has a set target of adding one customer per month and also aims to achieve high margin and critical capabilities and key customers.

The China facility is sustaining on its own and supporting the rest of the Group. It is operationally GMP compliant and we are anticipating more orders from customers. The facility caters to several western clients (US and Europe) with a desire to work in China. Currently, the facility largely supplies intermediates for which regulatory approval is not required. Once the regulatory approval is well in place, the facility can supply active pharma ingredients (APIs) to clients. This will facilitate us on two fronts – one, aiding higher utilisation at the facility; and two, given that APIs enjoy better margin, our changing product mix will enhance margins over the next 2-3 years.

OTHER BUSINESSES

We hope to sign a contract for a commercial project with Unit 9, which had earlier started as a clinical facility in Switzerland and was later transferred to Bavla, near Ahmedabad. This is a perfect example of how our Group works towards value proposition for global customers. The Vitamin D business has stabilised and is contributing significantly to our total revenues. Moving a step ahead, we are present in Vitamin D analogues segment which is a more complex, but relatively smaller, field. Our decision to focus on the high value Vitamin D analogues and to cut down channel (intermediaries) and bulk purchase of raw material at competitive prices has led to an improvement in profitability of this segment. Operating profit margin in this segment improved by 350 basis points to 34%. This, in turn, helped the overall operating profit margin. CRAMS India (which contributed 12% to total revenue) is expected to contribute meaningfully to our growth in the medium term. We have nearly 15 molecules in the advanced phase of clinical trials. About 1-3 molecules are expected to be launched each year over the next three years.

CAPITAL EXPANSION

We are looking at an annual capex of ₹ 200 Crores over the next two years. A large part of this is aimed towards maintenance, while the rest is to be utilised in installation of additional lines at the HiPo facility. It will also be utilised towards custom modification and upgradation of a new building we have acquired for expanding our custom synthesis business.

Moving forward, our key objective is to utilise all our assets to the best advantage of our customers. We are leveraging our unparalleled capabilities towards scale-up commercial manufacture of highly potent compounds and vitamins. With key strengths of development and commercialisation, we are augmenting our emphasis on niche generics APIs to stabilise the overall business and better utilise the existing capacities to result in an improved order book.

The long-term focus of this business is part of what makes Dishman so difficult to replicate. The culture of our firm – both what we do and how we do it – is equally special and one of our greatest competitive advantages.

CLOSING REMARKS

We thank the Dishman Board for providing me the opportunity to lead the Company in a dynamic industry. We are confident to continue our journey of value creation over the long run. We see our challenges as tremendous opportunities and are tackling them with immense confidence. We look forward to continuing along our successful path together with you.

Regards,

Mark Griffiths

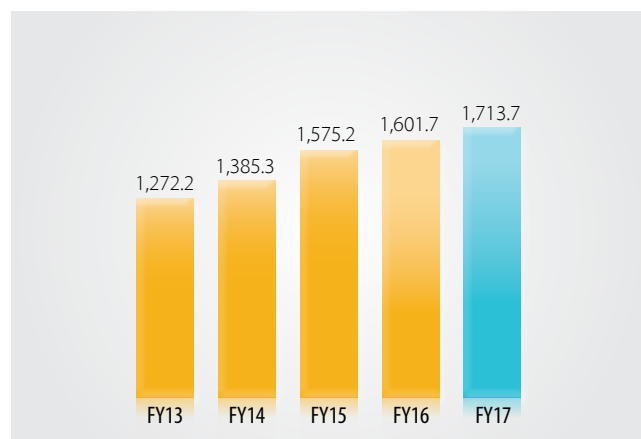
*Global Chief Executive Officer
Member of the Board*

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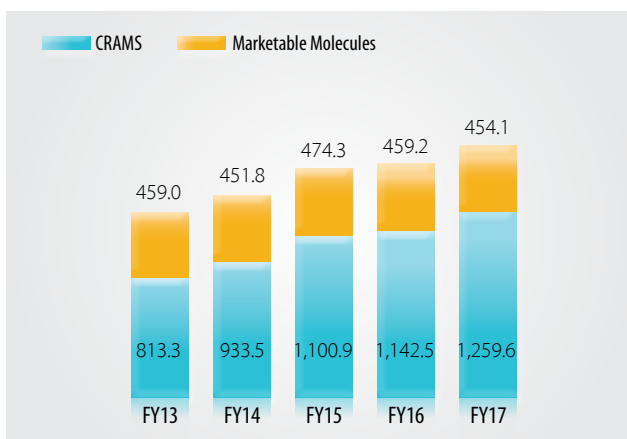
With key strengths of development and commercialisation, we are augmenting our emphasis on niche generics APIs to stabilise the overall business and better utilise the existing capacities and have an improved order book.

Our Financial Scorecard

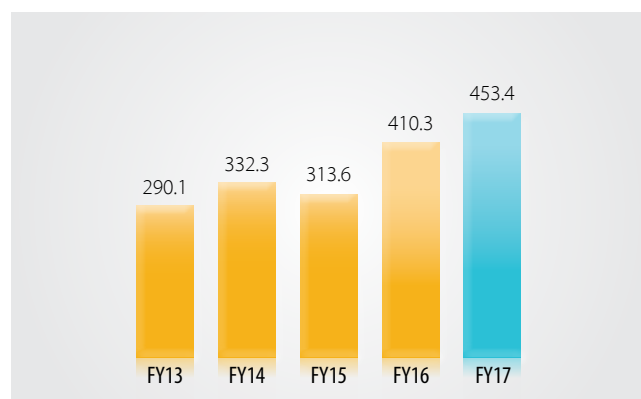
REVENUES (₹ Crores)



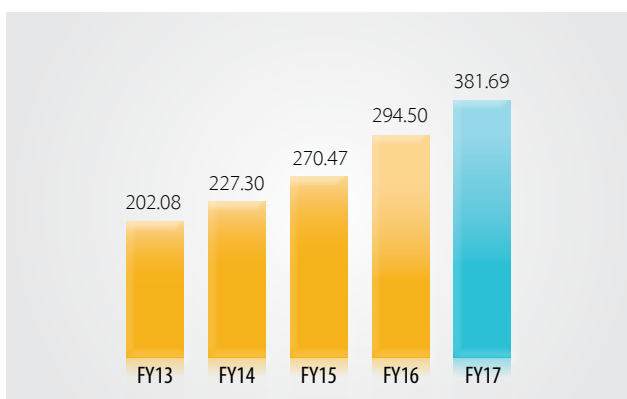
REVENUE BREAK-UP (₹ Crores)



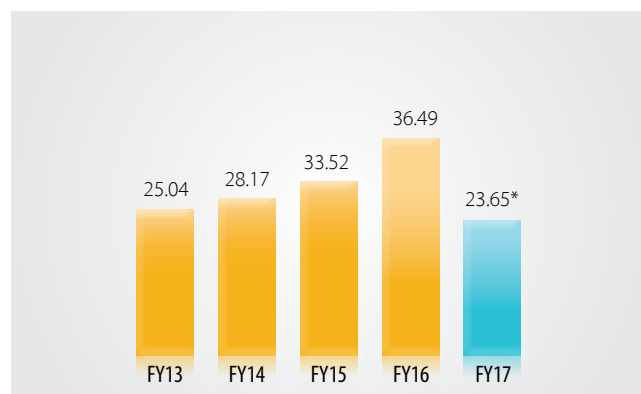
EBITDA (₹ Crores)



CASH PROFIT (₹ Crores)

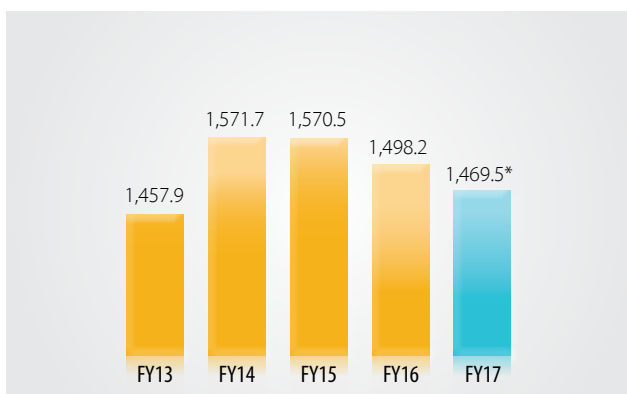


CASH EARNINGS PER SHARE (₹)



*Includes additional shares due to Bonus Issue in the ratio of 1:1

NET BLOCK (₹ Crores)



*Without Goodwill and other Intangible Assets

OUR KEY ACHIEVEMENTS

- Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited were merged with Carbogen Amcis (India) Limited to form Dishman Carbogen Amcis Limited
- Received USFDA clearance for its Bavla and Naroda facility in Gujarat, India and for Aarau and Neuland facilities in Switzerland
- Improved capacity utilisation of facilities through a focus on large number of small and mid-sized companies and strong emphasis on process efficiencies
- Continued execution of high margin commercial and development orders, process improvement and better product mix
- A customer's formulated product created with the first molecule developed out of HiPo facility received USFDA approval
- Both operational cells at HiPo facility were completely occupied; 3rd and 4th cell expected to be activated
- Targeted new geographies with increased penetration in the US market
- Increased share of development orders
- Increased sale of Vitamin D analogues and cholesterol
- Leveraged cross selling opportunities between different verticals
- Increased capacity utilisation at HiPo, India and China facilities
- Better churned existing capacities with focus on low volume, high value orders, resulting into better margins
- Earned incremental revenues from HiPo business
- Enabled value added order execution from renovated Vitamin D facility at Netherlands

Our financial and operational performance improved as we grew at a healthy pace, driven by growth opportunities, a wider customer base and a key focus on segments with better margins. The CRAMS segment contributed 73.50% to the total turnover, while Marketable Molecules contributed 26.50%.

We expect CRAMS to contribute a larger portion of 75% by FY2019. We have enough manufacturing capacity to add more products or expand production of the existing products.



OUR VALUE DRIVERS FOR GROWTH

Strong Growth in CRAMS Business

We continue to leverage the rising opportunity in the global pharmaceutical and bio-pharmaceutical contract manufacturing and research. With a formidable pipeline and a core profitability base, our CRAMS segment is seen contributing a larger portion to our consolidated revenues by FY2019.

India and Switzerland are one of the world's best known research and development capability centres, with highest number of US Food and Drug Administration-approved manufacturing plants outside US. However, major pharma companies are witnessing a decline in R&D productivity on account of diminishing discoveries of path-breaking molecules, fewer new molecules being approved by the USFDA and increasing research costs.

At Dishman, we are an integrated CRAMS player with strong capabilities across the value chain. Through our CRAMS business, we assist drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process. The CRAMS unit manufactures drug quantities required for conducting clinical trials. Once the innovative molecules are approved, this unit explores the possibility of possible large-scale commercial supply tie-ups. We provide end-to-end high-value Asian cost-base CRAMS offerings – right from process research and development to late stage clinical and commercial manufacturing. The CRAMS segment contributes 73.50% to our total revenues. With an expanded capacity in place, we are strongly placed to benefit from a revival in the global CRAMS industry.

Higher Contribution from CRAMS

We have a formidable pipeline with one new molecule approved in the last financial year, while 15-16 more projects are close to commercialisation, while another 16-20 candidates are in early Phase 3 across Carbogen Amcis and Indian facilities. After establishing a core profitability base, we are aiming at stepping up our revenue growth momentum over the coming years.

We expect CRAMS to contribute a larger portion of 75% by FY2019, while the share of marketable molecules is seen lowering down to 25%. We have enough manufacturing capacity to add more products or expand production of our existing products. With several products in the pipeline to be launched in the next couple of years by US customers, we expect our US portion of total sales to be significantly higher from the current levels.

With the Carbogen Amcis business already operating at 95% utilisation, we plan to increase our development capacity with an investment of US\$ 20 million.



OUR VALUE DRIVERS FOR GROWTH

Driving Profitability

Increasing profitability takes being strategic. At Dishman, we are trying several routes to deliver growth for the bottom line – with improvement in China operations, growing order book of Carbogen Amcis, healthy pick-up in CRAMS business and an optimised distribution model. We also hope to drive profitability by reducing costs and increasing turnover, productivity and efficiency.

One, our operations in China, which turned profitable at the operating level, is seen improving due to steady increase in capacity utilisation. The facility manufactures intermediates for its contract research and development subsidiary Switzerland-based Carbogen Amcis AG (CA). We also hope to receive GMP certification for the facility soon. Post-successful completion of the inspection, the active pharma ingredient (API) supplies can be supplied to third parties from this facility.

Two, Carbogen Amcis AG has a strong order book of about US\$ 90 million, which is expected to be executed over the next 12 months, adding to our consolidated revenues. With the Carbogen Amcis business already operating at 95% utilisation, we plan to increase our development capacity with an investment of US\$ 20 million. We anticipate this to strengthen our pipeline over the medium term.

Three, our CRAMS business in India is expected to see healthy pick-up over the next 2-3 years. About 15 innovative molecules, for which Dishman is the CRAMS partner, are believed to be in late Phase III trials currently. At least 1/3rd is expected to be commercially launched over the next 2-3 years. Being innovative molecules, the operating profit margins of these are expected to be over 40%.

Four, our efforts to pivot the distribution model for our Netherlands cholesterol business has paid off well. We now sell directly to our customers which is helping us improve our realisation and margins. Further, being selective about our clients has led to moderation in our revenue growth and has boosted the overall consolidated operating profit margin.

The drug, Calcifediol, is a highly concentrated Vitamin D analogue. It is being sold in the world market in place of Vitamin D3, which was already a known product.

APPLICATIONS OF VITAMIN D



OUR VALUE DRIVERS FOR GROWTH

Focus on High Margin Vitamin D

We have halted the production of Vitamin D3 to enter a high-margin, low volume category of analogue, also in Vitamin D category. We are also putting up a larger facility in India to drive further synergies from the business.

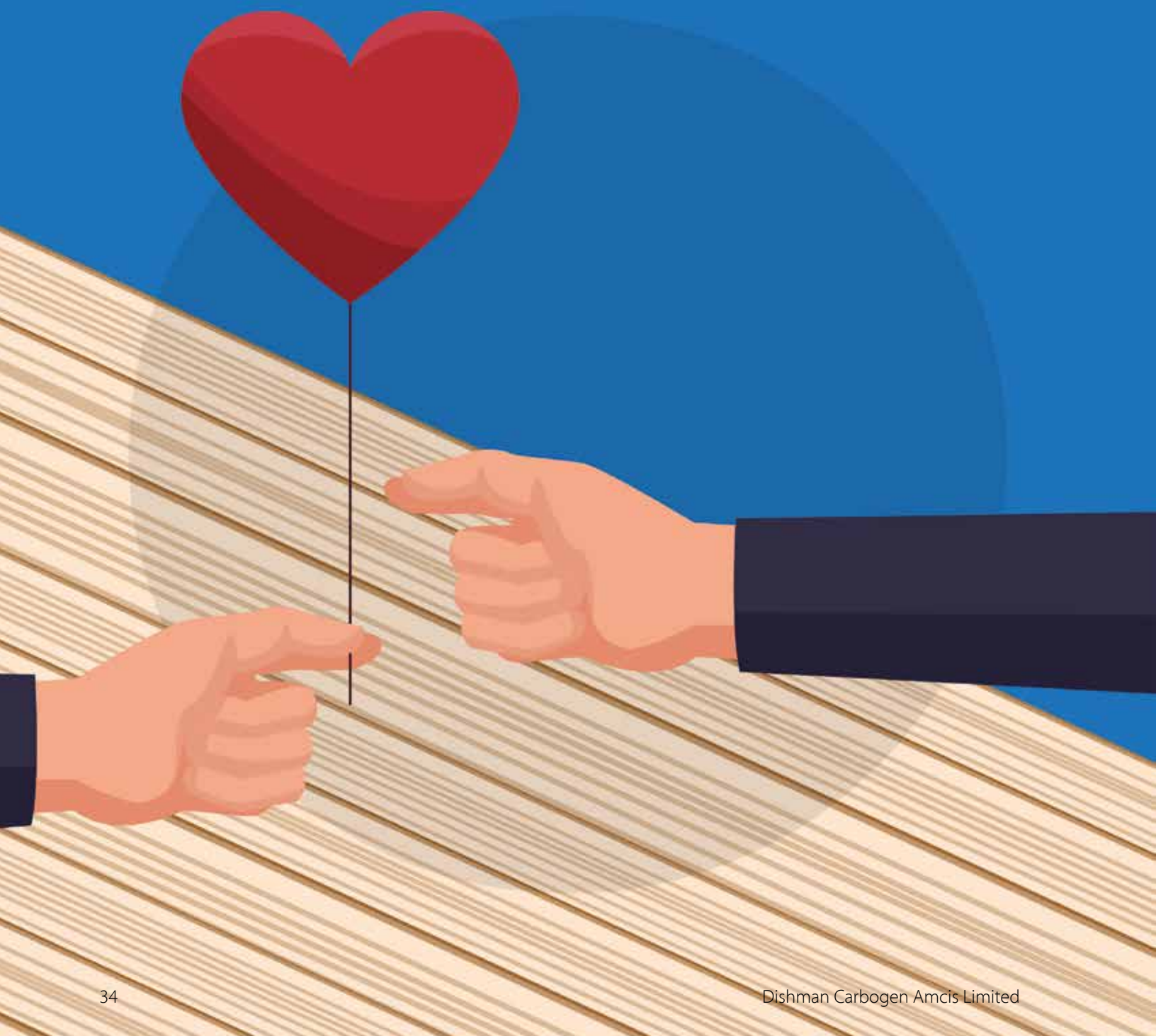
We are moving away from Vitamin D3 production to enter a high-margin, low volume category of analogue, also in Vitamin D category. The drug, Calcifediol, is a highly concentrated Vitamin D analogue. It is being sold in the world market in place of Vitamin D3, which was already a known product.

The drug is more beneficial and stronger than Vitamin D in terms of medical value. We are making a range of Vitamin D and D analogues at Dishman Vitamins and Chemicals, based in Veenendaal (The Netherlands). We are also setting up a softgel capsules manufacturing line in India.

Consolidation in Vitamin D

In the recent past, Vitamin D3 prices crashed in the global markets, especially due to competition from China. We halted its manufacturing in the current form. We moved to a high-margin low-volume analogs and cholesterol, which fetches a significantly higher price in the global market. We are the only company, apart from another Dutch company, which has managed to gain USFDA approved plants to manufacture Vitamin D3. Hence, the opportunity in this segment is enormous.

As India's growth relies on a well-educated and skilled workforce, we have a sustained focus on Education and Employability through Skills Development for taking forward our CSR initiative.



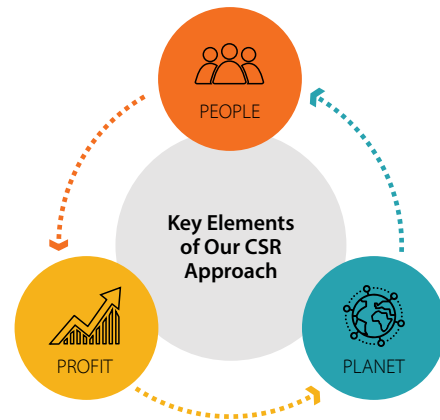
OUR VALUE DRIVERS FOR GROWTH

Making the World a Better Place

Corporate Social Responsibility (CSR) is our business contribution to sustainable economic development. CSR is the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations. This helps establish better practices within the firm, create wealth and improve society.

At Dishman, we have one single purpose – empowering people, so that they can flourish and thrive. We are committed to make a difference to the society by creating economic opportunity, enhancing the sustainability of our operations and the systems we operate in, and strengthening local communities.

Our development activities span across four key areas with a single-minded goal – Education, Sanitation, Healthcare and Women Empowerment. In 2016-17, we took several responsibilities in these highlighted areas to the next level, further espousing social causes and underscoring our position as a company with heart and soul. As India's growth relies on a well-educated and skilled workforce, we have a sustained focus on Education and Employability through Skills Development for taking forward our CSR initiative.



₹ 182 LAKHS
Funds Spent On CSR

- Aastha Charitable Trust for the Welfare of the Mentally Challenged
₹ 75 Lakhs
- YUVA Unstoppable, an NGO working for students from economically weaker sections for its True Hero and Evolution Project
₹ 57 Lakhs
- Sri Satya Sai Heart Hospital for providing free medical aid to the suffering and poor people
₹ 50 Lakhs

Events Undertaken during the Year:

- Art Reflection Event
- Drawing competition
- Infrastructure development in schools
- Construction of new rooftops
- Improving quality of lines of economically backward
- Health and Hygiene sessions and Cleanliness drive
- Support in upliftment of the education system

Making the World a Better Place

PROJECTS BY YUVA UNSTOPPABLE

A. EVOLUTION

13,680
TOTAL BENEFICIARIES

Under the Evolution project, we redeveloped the infrastructure of several schools in Gujarat for their upliftment and welfare. We also constructed specific areas of new schools. The project focused on renovating the schools and providing new facilities for drinking water, dish washing area, separate sanitation facilities for boys and girls, school painting and value-based painting and construction of shed for mid-day meals.

a. Drinking Water and Dish Washing Area

Due to lack of any separate provision for cleaning and drinking water, there was wastage and contamination of drinking water. Also, many taps were not running and water was unhygienic. Now, a separate area has been created for cleaning and drinking water at various schools.

b. Sanitation

Unhygienic and filthy sanitary conditions in school led to diseases spreading and a high drop-out ratio of students. Proper plumbing activities were undertaken to improve the drainage conditions and also renovate the washrooms at various schools.

c. School Buildings

All the schools were re-plastered and painted to increase the strength of a building. This resulted in the provision of safe and attractive environment for the school students.

d. Mid-Day Meal Shed

A mid-day meal shed was constructed with clean tiles and strong rooftops, enabling students to have their afternoon meals. The area was utilised for recreation activities and other events.

e. Value-based Painting

Walls of municipal schools were painted with value-based education and moral values aimed at instilling good values. This included teaching on English alphabets, numbers and cartoons, among others. Exteriors and interiors of the walls were painted to make the entire campus more lively and increase the motivation level of students, teachers and principals.

B. FELLOWSHIP

6,000
TOTAL BENEFICIARIES

We initiated a project for upliftment of the education system for the under-privileged students. As part of the Fellowship program, a separate fellow teacher has been assigned per school. The teacher is assigned the responsibility of educating students of 1st grade to 4th grade with basic English and value-based education, health & hygiene and moral science.

Curriculum for Schools

We have an association with Tide Foundation which is responsible for designing the yearly curriculum for students. A key focus here is to improve the English language of students with varied topics, inculcate moral values, make them understand the importance of health and hygiene and to make them understand the importance of teamwork and unity.

Extra-Curricular Activities

- Academic activities and science fairs
- Value-based education
- Craft and Drawing activities
- Health & Hygiene sessions and cleanliness drive
- Anti-depression and counselling sessions
- Republic Day celebration
- Annual Day celebration
- Summer Camps

Making the World a Better Place

C. CHATRACHHAYA – MODEROOF

08

TOTAL BENEFICIARIES

In association with Yuva Unstoppable, we initiated the Chatrachhaya – Moderoof project. The project aims at construction new rooftops for the houses of dedicated and passionate, but under-privileged, girls at these municipal schools. The newly constructed rooftop saves them from the challenges of constant water leakage during rains and extreme cold during winters. In fact, it provides them with shade from sunlight during summers, and also saves them from extreme cold during winters.

Schools Covered Under CSR Projects

- Nirnaynagar Prathmik Shala
- D'cabin Hindi Primary School
- Jundal Prathmik Shala
- Viratalavdi Prathmik Shala
- Mukhya Kumar Shala, Bawda
- Branch Kumar Shala, Bawda
- Santej Primary School
- Chandlodiya Primary School
- Ranip Primary School
- Memnagar Sarvajanic School
- Jyotkanya Vidhyalaya, Shahpur
- Sonarda Kumar School, Gandhinagar
- Sonarda Kanya School, Gandhinagar
- Mukhya Kanya Shala, Bavla
- Branch Kanya Shala, Bavla

HEALTHCARE PROJECTS

Sri Sathya Sai Heart Hospital, Rajkot

Healthcare is an integral part of our CSR commitment. We scout for opportunities to improve the quality of lives of the socially and economically backward groups, the under-privileged and marginalised, and the society at large. We donated funds to the Sri Satya Sai Heart Hospital, Rajkot, run by Prashant Medical Services and Research Foundation, providing free medical aid to the poor. We also arranged a free Heart Camp at Udaipur where cardiac physicians performed echo tests on people to diagnose heart problems.

Board of Directors



Shri Janmejy R. Vyas
Chairman &
Managing Director



Mrs. Deohooti J. Vyas
Whole time Director



Shri Arpit J. Vyas
Managing Director & CFO



Mr. Mark Griffiths
Director & Global CEO



Shri Sanjay S. Majmudar
Director



Shri Ashok C. Gandhi
Director



Shri Rajendra S. Shah
Director



Shri Subir Kumar Das
Director

Mr. Janmejy R. Vyas

Chairman & Managing Director

Mr. Vyas promoted the erstwhile parent company Dishman Pharmaceuticals and Chemicals Ltd in 1983 with 19 subsidiaries worldwide. He heads the R&D and production activities over 29 years and is also engaged in marketing of in-house technologies and products, research and production capabilities domestically and internationally. He has been managing marketing and globalisation activities since more than 30 years and has successfully negotiated several contract research proposals with clients. He has entered into a long-term manufacturing and supply contract with several companies in Japan, USA and Europe. In 1987, he set up the Naroda facility, and later in 1996, initiated the expansion of Bavla facility. His emphasis on quality and adherence to international manufacturing standards ensured the Bavla facility has been set up and developed as per international standards. He has been engaged in acquisition of several research-oriented companies, including Carbogen Amcis and Vitamin D business in Netherlands.

Mrs. Deohooti J. Vyas

Whole-time Director

Mrs. Vyas holds a Bachelor's Degree in Science. She has very rich experience in the field of Administration and Human Resource Development. She has been associated with the Dishman Group since a long time. She has been extremely instrumental in strategic decision making in the HR policies of the Company.

Mr. Arpit J. Vyas

Managing Director & CFO

Mr. Vyas has completed his Chemical Engineering degree from the University of Aston, Birmingham. He has gained a rich experience in the field of Marketing. He was first appointed as the Additional Director of the erstwhile DPCL, and thereafter as the Whole-time Director w.e.f. 1st June, 2009 and then as Managing Director since 28th May, 2013 and also appointed as CFO w.e.f. 17th July, 2015. He has been extremely instrumental in the strategic decision-making processes and Marketing Policies and the overall operation of the Company's plants worldwide. He is completely in charge of the corporate functions such as finance, legal, IT, marketing, sales, etc.

Mr. Mark Griffiths

Director & Global CEO

Mr. Griffiths holds a Master's Degree in Science (Mechanical Engineering) from the University of Bristol. He has extensive background within the Pharma industry and has strong leadership skills. He has more than 33 years of experience in Strategy, Business Operation, Facility & Plant Engineering Design for pharmaceutical and chemical plants. Before joining the Dishman Group as Global CEO, he was the co-founder and joint owner of COSAM Developments Ltd., a multi-discipline pharmaceutical consultancy firm. He has been inducted on the Board from August 2014.

Mr. Sanjay S. Majumdar

Director

Mr. Majumdar has a rich experience of over 30 years as a Practicing Chartered Accountant. He is the Proprietor of the firm M/s. Sanjay Majumdar and Associates and also a Partner with M/s. Parikh & Majumdar. He has been the Chairman of the Editorial Committee of the Ahmedabad Chartered Accountants Association Journal in 1994-95. He has also been a Chairman of the NRRC Committee of the Chartered Accountants Association, Ahmedabad during 2000-01 and 2002-03. He has gained extensive experience in the areas of Finance, Corporate Law, Direct Tax and Auditing & Accounting.

Mr. Ashok C. Gandhi

Director

Mr. Gandhi has a wide and rich experience as the Senior Advocate. He is also a Partner with M/s. C. C. Gandhi & Co., Advocates, which is an eminent and reputed firm based in Ahmedabad. He has extensive experience and expertise in the field of Corporate Law. Currently, he holds the position of Trustee in various Trusts having benevolent objects. He is also a Member and President of various Societies and Committees.

Mr. Rajendra S. Shah

Director

Mr. Shah is a Mechanical Engineer and the Chairman of Harsha Engineers Limited, which commenced operations in 1972 and manufactures bearing cages of any material and auto components. He is recognised as the "Best Entrepreneur 2001" by the Ahmedabad Management Association, Ahmedabad. He is serving as a President of the Society For The Welfare of The Mentally Retarded, a parents organisation working for Welfare of Mentally Challenged Children, running under the name "AASTHA" a vocational rehabilitation center for mentally challenged persons having age above 21 years.

Mr. Subir Kumar Das

Director

Mr. Das has done his Masters in Management Studies (Finance), from the BHU, Varanasi. He has done his M.Sc. (Chemistry) and is a rank holder from the Lucknow University. He has also done his CAIIB from Indian Institute of Bankers, Mumbai. He has a rich experience of over 35 years in the field of Banking, Administration and Management. He is presently working as Guest Faculty of the National Institute of Bank Management since June 2014, where he conducts sessions on Innovation, Strategy, Human Resource Management and Leadership. He is the retired GM of Bank of Baroda.

Leadership Team

Global Team

Mr. Mark Griffiths

Global CEO

Dr. Alan Fischer

Global Chief Information Officer

Mr. Dieter Thueer

Global Head - Human Resources

Mr. Pascal Villemagne

VP - Commercial

Mr. Martin Schneider

Global Chief Quality Officer

India Team

Mr. Bharat Padia

Executive Director

Dr. Himani S. Dhotre

Sr.VP (R&D) & CEO (Bavla Plant)

Mr. Harshil Dalal

Sr.VP (Finance & Accounts)

Mr. Jayesh A. Shah

VP (Production) & CEO (Naroda Plant)

Mr. Dharmesh Desai

Asst. Company Secretary (Legal & Secretarial)

Management Discussion & Analysis

Global medical spend is expected to amass nearly US\$ 1.5 trillion by 2021, growing at a rate of around 4% to 7%.

ECONOMIC OVERVIEW

Global Economy

After subdued economic activity in 2016, the pick-up in global growth remains on track, with global output projected to grow by 3.5% in 2017 and 3.6% in 2018. There are upward revisions in the Eurozone, China and Japan. Growth is expected to kick in over the next two years, particularly in the emerging economies. The prospects of the developed economies look better for 2017-18. This is due to higher activity levels in latter half of 2016 and the expected fiscal stimulus in the United States. However, tighter monetary policies have led to lower growth forecasts for the emerging economies. The International Monetary Fund (IMF) expects near-term fiscal stimulus and faster normalisation of the monetary policy in line with the rising US yield curve, rising stock prices and a surge in the US dollar since the presidential elections. The projection also includes the strengthening of oil prices subsequent to the arrangement between OPEC members and other major oil producers to curb supply. Factors such as rising protectionism, weak Eurozone, geo-political tensions and more than expected downturn in China could act as a deterrent to the global economic scenario.

Source: International Monetary Fund

Indian Economy

India remains amongst the top fastest growing economies in the world, as it benefits from strong private consumption and the gradual introduction of significant domestic reforms, according to a United Nations report. Today, it is the most dynamic emerging economy among large countries. In fiscal 2017, India's economy grew by 7.1%, slower than the 8% recorded in the previous year and equal to the Central Statistical Office's (CSO) estimates. The real GDP growth in the first half of FY2016 stood at 7.2%, on the weaker side of the 7.0-7.75% growth projected by the Economic Survey of 2015-16 and the projection of 7.4% in the Economic Survey of 2016-17.

Having sunk to its lowest level in the past five years in January 2017, consumer price inflation (CPI) averaged at 4.7% for the fiscal year 2016-17, with an increasing pressure on food as well as the uptick in global oil and commodity





rates. The sharper-than-expected fall in inflation, over the past few months, has already started correcting as remonetisation gained currency. According to the rating agency CRISIL, CPI inflation is seen averaging at 5% in FY2018, 30 basis points higher than that of FY2017. The Reserve Bank of India has raised its inflation projection for FY2018, expecting the index to average 4.5% in the first half and 5.0% in the second half, taking it above its medium-term target.

Impact of Demonetisation

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments – the passage of the transformational Goods and Services Tax (GST), implemented on July 1st, 2017; and the action to demonetise the two highest denomination notes, introduced in November 2016.

Benefits of Demonetisation:

- Transition from unorganised to organised sector
- Less usage of cash for transaction, among the major countries India has one of the highest usage of cash
- Greater tax compliance

Implementation of GST

In July 2017, the Government implemented the Goods and Services Tax (GST) to replace a range of existing indirect taxes. The GST has been touted as the panacea for resolving the situation created by the host of taxes currently levied by Central and State Governments. Change in the taxation scenario would help to provide a national common market for goods and services, improve tax compliance and governance, and encourage investment and growth. It will spur economic growth by removing the cascading effect of taxes, while at the same time providing for increased compliance and better administration. This is a bold step forward in the governance of India's cooperative federalism. In turn, demonetisation has led to short-term costs on industries dealing predominantly in cash, severely impacting them in the first few months, but still holds the potential for long term benefits. These benefits are expected to allow growth to return to past trends in 2017-18.

INDUSTRY OVERVIEW

Global Pharmaceutical Industry

The global pharmaceutical industry is projected to grow between 4% to 7% over the next 5 years, according to a recent study by Quintiles IMS, the merged entity between data-cruncher IMS Health and contract research

Management Discussion & Analysis

organisation Quintiles Transnational, specialising in clinical research. Overall spending on medicines is expected to increase by around 33% from 2016 levels to US\$ 1.5 trillion by 2021. This is lower than the growth rates achieved back in 2014 and 2015, as per the analysis. The spurt in growth in 2014 and 2015 was led by the introduction of new medicines in the therapeutics segments such as Hepatitis and cancer. However, this trend is expected to lower until 2021. Volume growth in medicine consumption across the world is projected to stay muted at around 3% annually till 2021, which is marginally higher than population growth. Current challenges in the industry such as pricing pressure, market entry barriers, lower growth in emerging markets and higher generic drug intrusion could lead to muted growth in the pharmaceutical sector globally.

Total absolute spend on pharmaceuticals is projected to increase by US\$ 367 billion by 2021 on a constant dollar basis, according to the Report. The greatest driver of medical spending growth in the developed is expected to be driven by the innovations in oncology, auto immune and diabetes therapeutics segments.

Unveiling of new drugs is expected to scale up significantly over the next five years. As per the study, more than 2,000 drugs in the late stage pipeline will yield an expected 45 new active substances (NAS) on an average till 2021. The new innovations are expected cater to an extensive range of disease areas including cancer, auto-immune, metabolic and nervous system disorders. The level of complexity in cancer treatments is expected to be a big boon for patient care in the coming years. Over and above the ongoing research in existing drugs, there is extensive level of work happening to target cell processes and diseases across the field.

Developed Pharmaceutical Markets

United States

The US market is the world's largest pharmaceuticals market and will continue to remain so. Spending in US market is expected to slow down and growth is expected to be in single digits. Growth in the US market is expected to have lowered from 12% in 2015 to about 6% to 7% in 2016. Growth forecast until 2021 is seen in the range



of 6% to 9% on an invoice price basis, as per the Report. The slowdown in medicine growth is due to the end of Hepatitis C treatment driven growth. Also, a string of patent expires and the introduction of biosimilars has led to an increase in penetration of generic companies.

Europe

Drug spending in Europe reached a high level in 2014 and 2015. The muted forecasted growth till 2021 in 5 countries of EU (France, Germany, Italy, Spain and United Kingdom) reflects weak macro-economic environment in the region and a function of a higher base. Europe is not expected to have aggressive drug budgets.

Pharmerging Markets

Nine out of the top 20 markets globally are expected to be from the pharmerging markets. China is the second largest market after US. The growth in developed market spending will be driven by original brands, while pharmerging markets growth will be driven by non-original products, which constitute 91% of the pharmerging market volume and 78% of the total spending. New medicines which are specialised in nature are growing steadily as a percentage of global spend. It was 20% ten years ago, 30% in 2016 and is expected to be 35% by 2021, the Quintiles IMS Report said. It is expected to be half of the total medicine spend in developed markets. The basket of breakthrough medicines is expected to be the focus area of innovator companies.

Subdued growth in the region has translated into slower growth in medicine usage in pharmerging markets. The leading pharmerging markets have seen real growth in GDP slow anywhere between 1% to 4% over the past 10 years. This has resulted in a corresponding decline in medicine volume growth from an average of 7% annually over the past 5 years to a forecast of 4% until 2021. China,

one of the biggest forces in the region, is expected to see an annual volume decline from 17% to 4% over the same period. The outlook for spending growth across these markets is expected to moderate from 10% CAGR over the past five years to 6% to 9% through 2021.

Oncology - A Significant Field for Medical Research

New platforms are emerging that will see first human uses in areas such as gene-editing technology CRISPR. This is expected to change cancer treatments while causing newer ethical predicaments. Significant developments are expected which may treat a wide spectrum of diseases. This will be done by connecting the microbiome (a person's own gut bacteria), along with regenerative cell technologies. These technologies include stem cell harvesting from one part of the body for use against some other affected part.

Cancer by itself is a large field of research which includes immunology, cell-therapy and multiple molecularly targeted agents. The choice of treatment will be decided based on the tumour diagnosis as much as by a patient's family history, genetic marker or by biomarkers the tumour expresses. The extent of diverse work happening in cancer is expected to revolutionise the landscape of the disease in the coming years. This revolutionary work is expected to result in substantially higher survival and resistance levels. It is also expected to support more clinical trials and first-hand information which is likely to assist treatment decisions.

The key therapeutic segment, which will drive spending and volume growth over the next few years, will be led by oncology. The segment is projected to touch US\$ 120-135 billion in spending in the leading developed and pharmerging markets of the world. Spending in oncology is seen growing at 9% to 12%, roughly like the previous five years, as per the Quintiles IMS Report. This is led by a constant upsurge of the immune-oncology treatment which drastically improves outcomes and resistance for patients.

Medical Spend on Other Diseases

Solutions for diabetes continue to emerge with better formulations, combinations and delivery systems. These are backed by greater acceptance of biosimilars in the leading developed markets. A combination of non-stop innovation, disease pervasiveness and biosimilars are projected to take diabetes spending to US\$ 95-110 billion by 2021. Biological treatment for auto-immune diseases, including treatment for rheumatoid arthritis, psoriasis, ulcerative colitis, Crohn's disease and a wide range of inter-related disorders continue to see growing usage across geographies. Spend on these diseases is expected to touch US\$ 75-90 billion by 2021. Numerous new treatments in the development pipeline are seen broadening the classification of auto-immune diseases to include additional dermatological, gastro-intestinal and pain-related conditions. Over and above the growth in new medicine, biosimilar products with approvals having similarity to the original biological product, will be readily available in the market. This is seen enabling more extensive usage of the medicines with similar or lower medical spending.

Prime Growth Drivers for Medical Spend

Global medical spend is expected to amass nearly US\$ 1.5 trillion by 2021, growing at a rate of around 4% to 7%. This is marginally lower than 5.9% growth witnessed in global medical spend over the past five years. The previous five years witnessed path-breaking events – "the patent cliff" and the introduction of two solutions for Hepatitis C (Sovaldi and Harvoni), the two most successful launches ever. However, growth is expected to be more streamlined over the coming years. The next few years will witness steady growth with a larger focus on spending, growth and specific pricing. What was notable in 2014 and 2015 was not only the Hepatitis C launch which captured global attention, but also significant currency fluctuations for major global currencies against the U.S. dollar. The global pharmaceutical spending grew by 8.8% in 2015 on a constant U.S. dollar basis, which removes the impact of currency exchange rates, equivalent to US\$ 85.7 billion.

Sustained growth in medicine spending across the globe over the past 10 years and the next five years will more

OUTLOOK OF LEADING THERAPY AREAS SPENDING AND GROWTH, CONSTANT US\$ BILLION

Therapy Areas	Spending 2016	2011-16 CAGR	Spending 2021	2016-2021 CAGR
Oncology	75.3	10.9%	120-135	9-12%
Diabetes	66.2	16.4%	95-110	8-11%
Autoimmune	45.1	18.2%	75-90	11-14%
Pain	67.9	7.1%	75-90	2-5%
Cardiovascular	70.5	-2.5%	70-80	0-3%
Respiratory	54.4	3.4%	60-70	2-5%
Antibiotics and Vaccines	54.4	2.5%	60-70	2-5%
Mental Health	36.8	-5.0%	35-40	(-1)-2%
HIV	24.6	11.5%	35-40	6-9%
Antivirals EX – HIV	33.2	38.1%	35-40	0-3%
All Others	230.2	5.5%	360-415	4-7%

Source: IMS Therapy Prognosis, Sept 2016: QuintilesIMS Institute, Oct 2016

Note: Includes 8 developed and 6 pharmerging countries: U.S., EUS, Japan, Canada, China, Brazil Russia, India, Turkey, Mexico

than double the amount spent on medicines over the fifteen-year period. The key drivers of medicine spending can be broadly divided into three stages. Early spending was characterised by the blockbuster drugs in the 1990s, followed by huge volume growth in the pharmerging markets, and a string of patent expires in the developed markets. However, the next few years are likely to be defined by constant breakthroughs in innovation-led growth for immunology treatment across a spectrum of diseases.

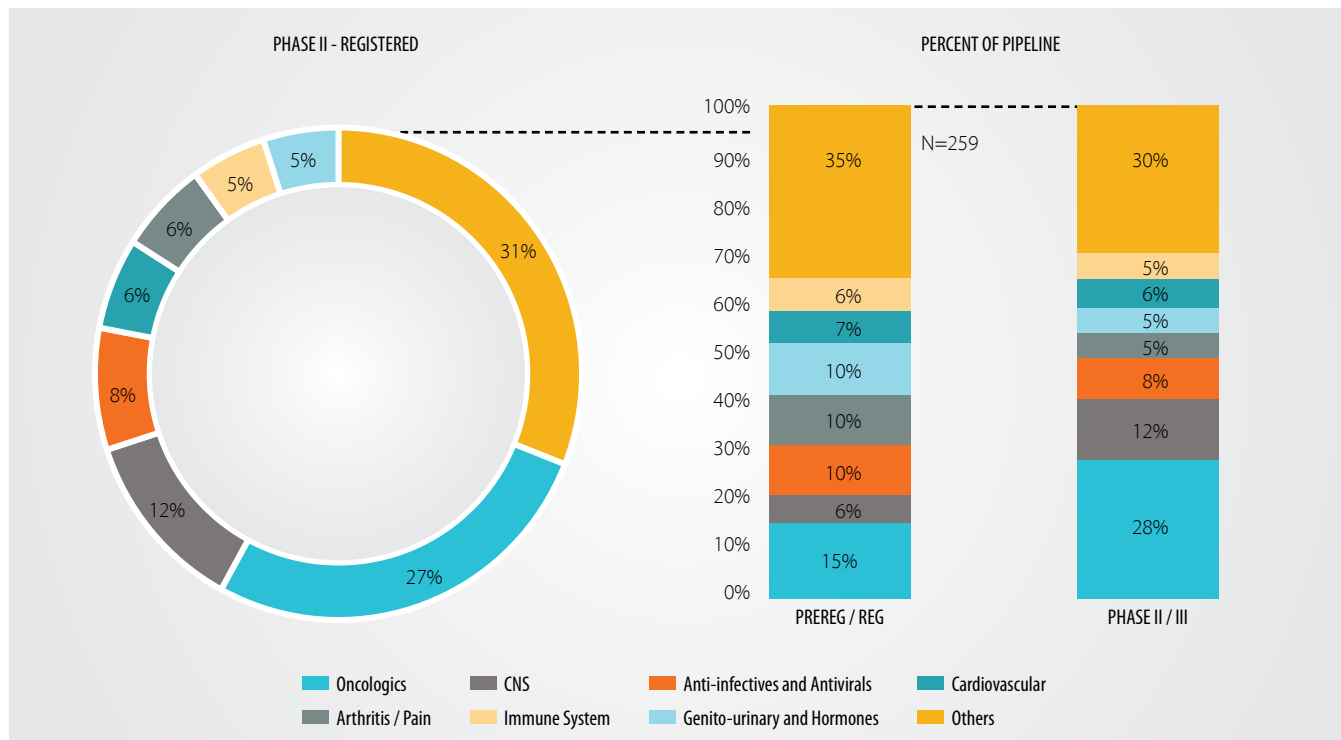
Globe Medicine Sector - Outlook

Some of the vital drug categories which served as a standard treatment for diseases over the years are losing patents. In view of this, a significant number of diseases are being treated with cheaper alternatives such as generics and biosimilars. However, continued surge in innovation will replace the pipeline and deliver critical therapeutic advances for patients. This will penetrate in lesser treated conditions for smaller patient groups, such as hemophilia and ANCA associated vasculitis. It will also have a positive impact on long-term acquired chronic diseases, such as Alzheimer's and atherosclerosis, that

affect the larger population and spike up costs in the health system. Apart from the new innovations, platform technologies are expected to emerge. These are the ones that may transform care across multiple potential disease targets, such as CRISPR Cas9 gene editing, regenerative cell therapies and new approaches to targeting disease through the gut microbiome or replacing blood components with those from healthy individuals. Although all of this is far from coming into reality, it offers a new dimension to therapeutics in the long run.

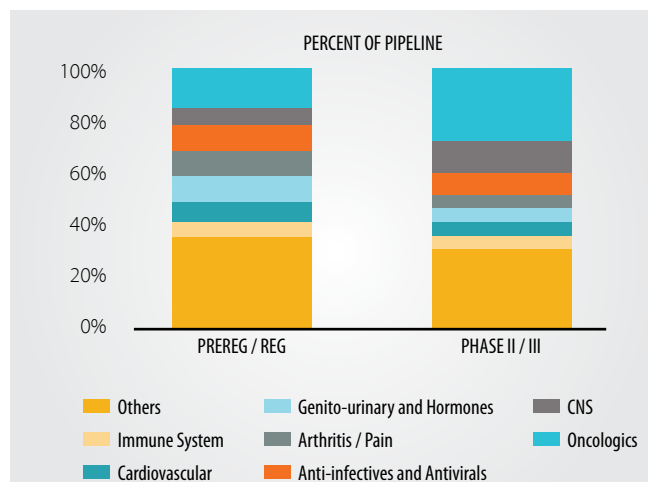
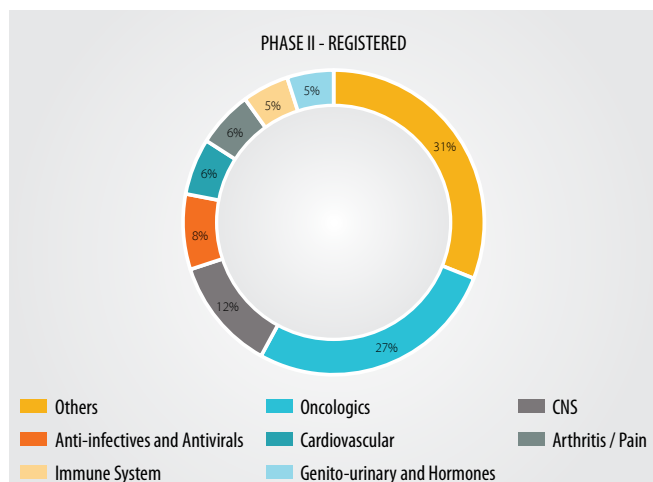
Recent successes in cancer therapeutics, encouraged by prospects for a breakthrough therapy and shorter development cycles, have led over a quarter (25%) of the entire late stage pipeline to be focused on development of oncologics (see Exhibit 8). Therapies for the central nervous system (CNS) disorders follow, making up almost one-eighth (12%) of the total pipeline. There have been long delays in bringing drugs for CNS disorders to the market, complicated by poor understanding of disease mechanisms and development project failures due to side-effects and lack of efficacy among several developmental new classes of therapies. Following this,

EXHIBIT 8: GLOBAL MEDICINES IN LATE STAGE DEVELOPMENT IN 2016



Source: IMS R&D FOCUS, Sep 2016; QuintilesIMS Institute, Oct 2016

Note: Drugs included are beyond Phase I development, Cardiovascular includes antihypertensives, anticoagulants, lipid regulators and other cardiovascular therapies; Genito-urinary and Hormones includes women's and men's health, osteoporosis, urological and hormonal therapies. CNS is central nervous system.



therapies focused on disease modification in Alzheimer’s, multiple sclerosis and even Parkinson’s may finally reach the market through 2021. A wave of new therapies moving through the registration process and soon to come to the market include therapies in the anti-infectives and anti-virals category. These are for HIV, bacterial disease, anthrax, Hepatitis C and malaria. These also include therapies in the arthritis and pain category, notably for osteoarthritis and migraine; and Genito-Urinary and Hormones, notably for osteoporosis, hypogonadism, contraception and infertility.

Oncology – A Key Area of Focus

Oncology is a key area of focus with a healthy pipeline of which 87% is a targeted therapy. Several targeted therapies in development have a related biomarker. Targeted agents prevent the growth and blowout of cancer by interfering with molecular targets involved in cancer progression. These may or may not be associated with a specific biomarker. Due to specific targeting of the molecular pathways, these are less poisonous compared to traditional chemotherapy alternatives. Along with personalised medicine with targeted agents, approval of innovative immunotherapy agents, which provide substantial clinical benefit, have significantly elevated the optimism of significantly improving cancer survival across many tumour types. The concept of personalised medicine is now an essential part of clinical practice in oncology. More clinical trials are classifying patient populations with prognostic biomarkers, which has led to enhanced clinical outcomes by distributing patients for their response to treatment. The pattern of personalised medicine in oncology has had an encouraging impact on the drug development process leading to faster acceleration of late-stage trials and a need for fewer enrolled patients.

Advancement in Cancer Therapies

Over the past decade, the launch of several innovative agents, backed by increased awareness and focus on cancer prevention, and emphasis on early diagnosis, have contributed to improved outcomes and a reduction in mortality rates for major cancers. Since 2011, 68 new drugs have been approved for 22 indications, including immuno-oncology agents that have considerably changed the

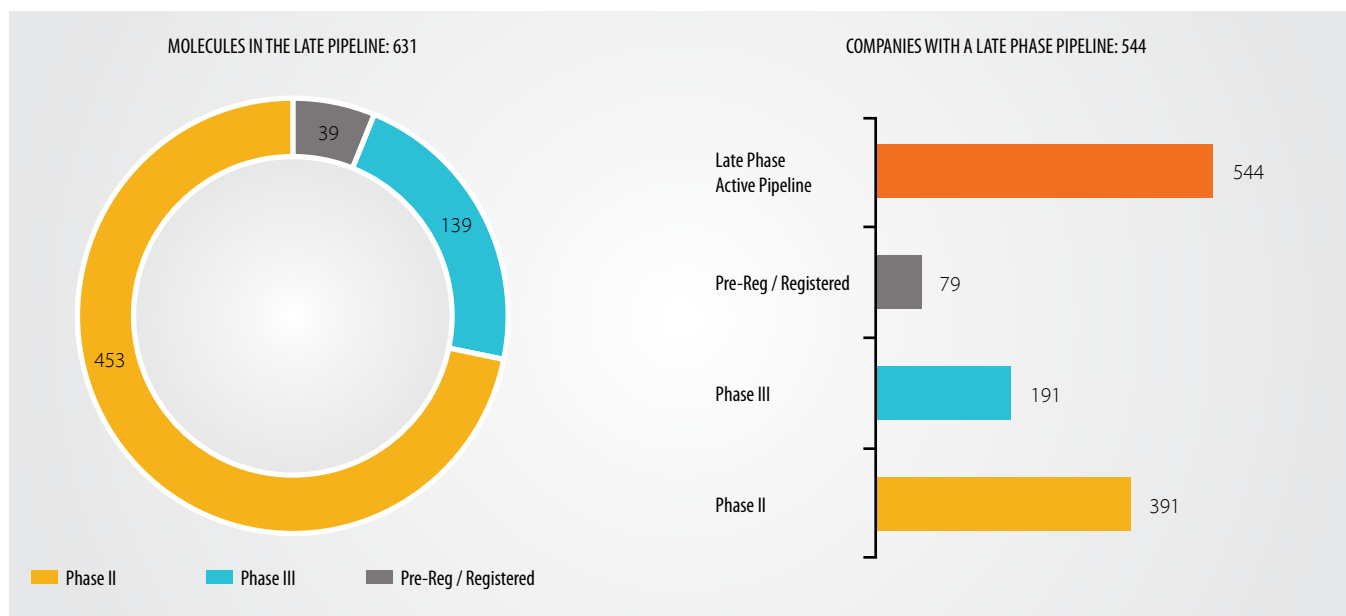
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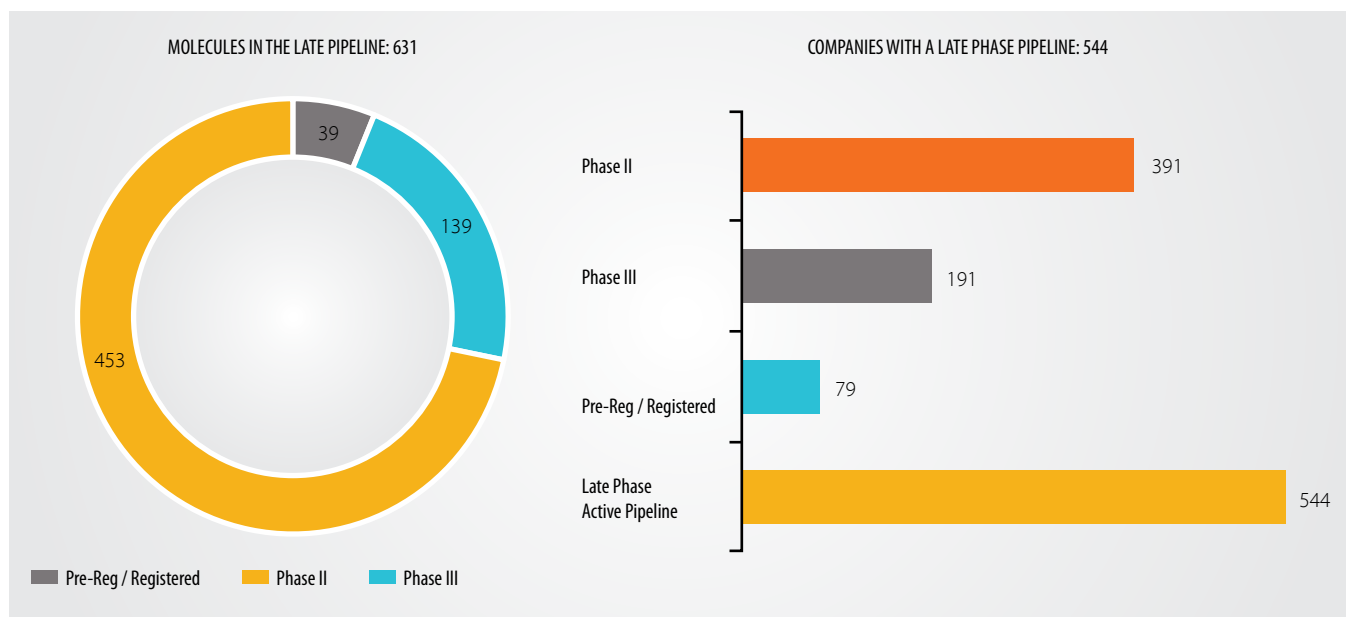
treatment patterns in many of the cancers (see Chart 3). The immuno-oncology PD-1 and PD-L1 inhibitors have seen a speedy acceptance based on their extraordinary clinical profile and approval for multiple cancers (see Chart 4). For instance, an indication like melanoma, which was a huge unaddressed market with limited treatments on offer, has seen nearly thrice as many patients receiving treatment. This has increased survival in metastatic melanoma twice as much. In non-small cell lung cancer (NSCLC), innovative agents have provided improved outcomes, compared to previous treatments which were less effective and more toxic.

Intricacies of Cancer Care

Newer innovations in treatments, biomarker-based patient bifercation and accessibility of biomarker-based treatment methods have supplemented the treatment intricacy over the years. Innovative oncology actions are reaching physicians faster than ever. For instance, the median time from patent filing to FDA approval has dropped from 10.25 years in 2013 to 9.8 years in 2016. This is principally through the expedition of late-stage drugs and their approval on priority basis. In certain instances, agents with comparable mechanism of action have been approved faster. This presents a dilemma for clinicians on the back of inadequate clinical data for like-to-like comparison between newer drugs. Use of predictive biomarkers and



Source: QuintilesIMS ARK R&D Intelligence, QuintilesIMS Institute, Dec 2016



Source: QuintilesIMS ARK R&D Intelligence, QuintilesIMS Institute, Dec 2016

other diagnostic testing has gone up in the past few years. This makes treatments more complex, although not all patients receive suggested screenings.

The Pipeline for Oncology

- The late stage oncology pipeline is strong, with around 631 molecules in development, in comparison to 586 molecules in May 2016.
- The number of companies with late phase oncology molecules has gone up from 511 in May 2016 to 544.
- The duration of Phase III trials for new oncology medicines has dropped over the past five years, resulting in faster introduction of newer oncology in the market.
- The number of new molecules and increasing number of grouped treatments has encouraged the pace of development within oncology. In addition, the use of predictive biomarkers to stratify patients by their potential to respond to personalised treatments also has a positive impact on the pipeline.



CRAMS Industry – Global

The global pharmaceutical and biopharmaceutical contract manufacturing, research and packaging is seen reaching US\$ 374.8 billion by 2018, according to BCC Research. From US\$ 242.2 billion in 2013, the growth translates into a 5-year CAGR of 9.1%. Increasing price and cost pressures and patent expiries are leading to shrinking margins in the pharmaceutical industry. Outsourcing has become a viable and beneficial business strategy that is enabling firms to transfer non-core activities to external partners. This helps restructure their distribution networks, leverage resources, spread risk and focus on issues imperative to their survival, competitive advantage and future growth. Contract services such as manufacturing and research are advantageous to both parties as they provide the supplier with financial stability for the duration of the contract. They also provide the benefit of cost savings, time saved in operating and managing a production facility. Moreover, outsourcing is also important in overcoming trade barriers and is used to gain entry into a foreign market.

CRAMS Industry – India

The Indian Contract Research and Manufacturing Services (CRAMS) players are expected to register strong growth rate of 18% to 20% CAGR over the next three years to touch US\$ 18 billion size by 2018 from US\$ 7.6-7.8 billion in 2013. This will be achieved on the back of a recovery in the US market and the US\$ 85 billion off-patent drug opportunity by 2020, according to a Report by Care Ratings. With global innovators rationalising inventories and reducing research and development spends, growth rate slowed to 5% to 8% CAGR during 2009-2011, but picked up to low double digits in the subsequent years. CRAMS players faced mounting cost pressures, especially with new products not being launched in the market.

Key Drivers for the CRAMS Industry in India

According to the report by Care Ratings, factors such as patent cliff, favourable currency and focus on new product development will drive growth for CRAMS players. Also, patented drugs worth nearly US\$ 85 billion in potential annual sales in the US are expected to go

off-patent between 2014 and 2020. This is likely to boost the prospects of Indian Contract Manufacturing Segment (CMS) companies. With the Indian CRAMS industry gradually moving up the value chain and players investing in better technology and higher capacities, manufacture of value-added products for biotech and specialty therapy areas may be outsourced to Indian players in future, the Report said. It projects the Indian CMS to grow at approximately 17% to 18% CAGR till 2018.

India is one of the world's best known low-cost manufacturing centres, with highest number of US Food and Drug Administration-approved manufacturing plants outside US. However, with the cost of developing new drugs estimated to have reached new highs, major pharma companies are witnessing a decline in R&D productivity on account of diminishing discoveries of path-breaking molecules, fewer new molecules being approved by the USFDA and increasing research costs.

API Market in India

India accounts for a significant share of the global Active Pharmaceutical Ingredients (API) market, having become the 3rd largest generic API vendor market by 2016, with a 7.2% market share. The Indian pharmaceutical industry has the second highest number of Abbreviated New Drug Applications (ANDAs) and holds global leadership position in Drug Master Files (DMFs) applications within the US. The API market is scattered and consists of more than 1,000 players.

The API market is surging due to the increased demand for pharmaceutical drugs, which in turn is driven by the aging population, rising prevalence of chronic diseases such as cancer, diabetes, cardio-vascular, neurological and infectious diseases. India and China are the major suppliers of API to North America due to their lower production capacities, labour costs, and the presence of a large number of global and domestic players. To cut down on expenses and increase profits, companies have begun outsourcing the creation of APIs to the developing countries in Asia, leading to growth in the Asian market. With increasing prevalence of cancer among Indians,

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With the cost of developing new drugs estimated to have reached new highs, major pharma companies are witnessing a decline in R&D productivity on account of diminishing discoveries of path-breaking molecules, fewer new molecules being approved by the USFDA and increasing research costs.

the health issues faced due to the lifestyle changes and age-related disorders, demand for Active Pharmaceuticals Ingredients are rapidly increasing. Advancements in technology have resulted in high production at low cost, boosting growth.

Sources: Care CRAMS Industry Report; BMI, Datamonitor; Kemwell Biopharma; Chemical Pharmaceutical Generic Association; TechSci Research; Outlook for Global Medicines through 2021 – Quintiles IMS Institute; Global Oncology Trends 2017 – Quintiles IMS Institute



BUSINESS OVERVIEW

Head-quartered out of India, the Dishman Group is a truly global and integrated CRAMS player with strong capabilities across the value chain. Dishman Carbogen Amcis Limited, the flagship company, includes its Indian and foreign subsidiaries, joint ventures and associate companies across the globe. We are an integrated high-value, low cost CRAMS player present along the entire value chain – from process research and development to late-stage clinical and commercial manufacturing. We have the ability to retain client services through the complete drug development. We are the preferred global outsourcing partner present across multiple continents and countries, including Switzerland, UK, France, China, Japan and India. We service customers from all the key advanced markets including US, Europe and Asia.

We are equipped with strong chemistry skills and large-scale multi-purpose manufacturing capacities. We have a wide range of research competencies and 9 manufacturing capacities and a global presence with manufacturing sites in Europe, India, China and Saudi Arabia. Of these, 4 are in Switzerland; 2 in India; and one each in UK, France, Netherlands and China. Our HiPo facility at Bavla, India, is the largest facility in Asia, which enables us to gain from the high margin HiPo opportunity in the oncology space.

End-to-End Service Offering

Chemical Development - Commercial Manufacture - Supply of APIs

Our Product Portfolio

- 1 Active Pharmaceutical Ingredients
- 2 High Potent APIs
- 3 Intermediates
- 4 Phase transfer catalysts
- 5 Vitamin D
- 6 Vitamin D analogues
- 7 Cholesterol
- 8 Lanolin-related products
- 9 Disinfectant formulations

End-to-End Integrated CRAMS Player

A. CARBOGEN AMCIS (RESEARCH)

- Supporting the development process from bench to market
- Process research and development for supply of APIs for pre-clinical studies, clinical trials and commercial use

B. DISHMAN INDIA (MANUFACTURING)

- Large dedicated R&D centre with multiple shift R&D operations (India)

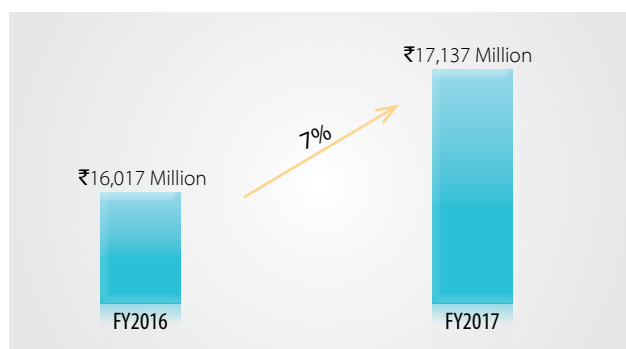
During the year, Dishman Pharmaceuticals and Chemicals Limited (DPCL) and Dishman Care Limited were merged with DPCL's subsidiary Carbogen Amcis (India) Limited, with the key objective of business consolidation and simplification of the Group structure.

- Multi-purpose and dedicated production facilities for APIs and intermediates (India, Europe and China)
- Dedicated API manufacturing capacities (India, China)

Our Key Competencies

- Integrated across the value chain
- Strong chemistry capabilities
- Close proximity to clients with global presence
- Large-scale low cost manufacturing capacities

Rise in Revenues



Scheme of Arrangement & Amalgamation

In February 2016, the Board of Directors of the Company approved the Scheme of Arrangement and Amalgamation. This involves the merger of Dishman Pharmaceuticals and Chemicals Limited ('DPCL') and Dishman Care Limited ('DCL') with Carbogen Amcis (India) Limited ('CAIL'). Post-merger, DPCL is known as Dishman Carbogen Amcis Limited ('DCAL'). The key objective of the merger is consolidation of business and simplification of the Group structure. The amalgamation has been accounted under the "Purchase Method" as per AS14. Accordingly, the assets and liabilities of DPCL and DCL have been recorded at fair value as on the Appointed Date of 1st January 2015. The purchase consideration of ₹ 48.1 billion has resulted in goodwill of ₹ 13.3 billion, which represents the excess consideration payable over the net assets. This goodwill will be amortised over the period of 15 years starting from the Appointed Date.

Our Business Verticals

1. CONTRACT RESEARCH AND MANUFACTURING (CRAMS)

Our principal line of business is Contract Research and Manufacturing Services (CRAMS) and marketable molecules such as bulk drugs, intermediates, and quaternary ammonium compounds (quats). We are an integrated CRAMS player with strong capabilities across the value chain. Through our CRAMS business, we assist drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process. The CRAMS unit manufactures drug quantities required for conducting clinical trials. Once the innovative molecules are approved, this unit explores the possibility of possible large-scale commercial supply tie-ups. We provide end-to-end high-value Asian cost-base CRAMS offerings – right from process research and development to late stage clinical and commercial manufacturing. CRAMS contribute 73.50% to our total revenues. With an expanded capacity in place, we are strongly placed to benefit from a revival in the global CRAMS industry.

As a frontend interface for its Trans-Atlantic customers, Carbogen Amcis engages with its customers by hand-holding their entire drug development cycle, from initial research to late stage small-scale commercial productions.

a. CARBOGEN AMCIS

The Carbogen Amcis brand represents the Group's first port of call for Pharmaceutical companies across the United States and Europe. Endowed with broad-based skill sets, the operations running under this brand are located in Switzerland, France, the UK and China. The Switzerland-based CRAMS business is the Group's method of being close to its customers and being involved with them from the very early stages of research and manufacturing trials. As a front-end interface for its trans-Atlantic customers, the Company engages with its customers by hand-holding their entire drug development cycle from initial research to late stage small-scale commercial productions. Most small and large pharmaceutical players prefer to work with partners close by in the early stages of the product development process. Considering this, Carbogen Amcis represents the Group's gateway for customer acquisition and for maintaining close relations with them throughout a product's lifecycle.

b. Dishman India

The Dishman brand represents the Group's second part of call for the same Pharmaceutical companies engaged with Carbogen Amcis. Once Carbogen Amcis has satisfied a customer up to a point in terms of research, trials and small scale commercial production, they are able to derive further value with the Group. The Company successfully scales

them towards large-scale commercial production using its specialised high capacity operations in India and China. The Indian facility at Bavla, Gujarat and the Chinese facility in Shanghai are particularly well invested and suited for mid-to-large scale production. Through this method, the Group is able to derive significant value out of the research work done at Carbogen Amcis to commercial production in India and China, thereby resulting into an end-to-end integrated CRAMS offering.

MARKETABLE MOLECULES

a. Specialty Chemicals

Dishman Specialty Chemicals is the global leader in the specialty chemicals segment and the leading manufacturer of Phase Transfer Catalysts. It manufactures and supplies high-quality intermediates, fine chemicals, and various products for pharmaceutical, cosmetic and related industries. The Company had a long association with the manufacture and supply of Quaternary ammonium compounds (Quats) for use as phase transfer catalysts. We have world-class manufacturing expertise, logistics and competitive pricing. We possess domain expertise in solids handling technology, which helps us expand our offerings to include ammonium and phosphonium high-purity solid Quats, Phosphoranes and Wittig reagents. We have also gained expertise in providing tailor-made solutions. We possess domain expertise in solids handling technology, which helps us expand our offerings to include ammonium and phosphonium



high-purity solid Quats, Phosphoranes and Wittig reagents. We have also gained expertise in providing tailor-made solutions.

b. Vitamins and Chemicals

Dishman Vitamins & Chemicals manufactures and supplies a range of Vitamin D and Vitamin D analogues. It also manufactures cholesterol and lanolin related products for pharmaceutical, cosmetic and related markets. We have achieved market leadership in the advanced regulated markets in the Vitamin D space. The Company continues to focus on high margin Vitamin D analogues and cholesterol business which offers superior realisations. There is a dedicated facility for developing and manufacturing Vitamin D3 analogues and cholesterol in Netherlands. The execution of "direct sales to end-customer" strategy has resulted in stellar results for the Company, as the operating margins have improved dramatically from 29.8% in FY2015-16 to 33.5% in FY2016-17. All the production is now being done at the Netherlands facility and the Company expects to sustain the current profitability margin profile.

c. Disinfectants

Dishman Care has a range of hand and body wash, sanitisers and antiseptics, apart from its active pharmaceutical ingredients and formulations businesses. We offer a range of antiseptics and disinfectants for application in healthcare and related industries. Our range of products will include bulk drugs, phase transfer catalyst and fine chemicals. We have a deep portfolio of 'next generation' innovative antiseptic and disinfectant formulations. Our product pipeline specialises in high quality, cost effective, proven anti-microbial products based on Chlorhexidine Gluconate (CHG) and Octenidine dihydrochloride (OCT). We aim to provide specialist products for environmental decontamination based on hydrogen peroxide disinfectants.

OUR COMPETITIVE STRENGTHS

A. Capabilities across the entire CRAMS value chain

Today, the Dishman brand is perceived by global customers as a preferred global outsourcing partner. It has capabilities across the CRAMS value chain with services ranging from process R&D and pilot supply to full-scale and commercial manufacturing from dedicated facilities. The Group's India and Chinese facilities possess strong chemistry skill sets – a large dedicated multiple shift R&D operations; and 16 dedicated manufacturing and development facilities for APIs and intermediates (India, China) with dedicated API manufacturing capacity at India and China.

B. High Potency API Capability

The Dishman Group has invested in world class capabilities to address the Anti-Body Conjugates (ADC) market. Coupled with 15 years of HiPo API experience, the High Potency API business will represent a significant opportunity for step change in the Group's top and bottom line growth. The Group has a strongly differentiated set of capabilities in the HiPo API arena with pre-clinical API, phase 1/phase 2/phase 3 and commercial API and up to clinical Ph2 parenteral dosage form capabilities. All these capabilities remain in-house and underwritten by a consolidated project management capability to take customers from preclinical stages through to commercial manufacturing of APIs.

C. Unparalleled Capabilities in Scaled-up Commercial Manufacture

The Dishman Group offers unparalleled capability in scaled-up commercial manufacture of highly potent compounds and vitamins. The Group provides state-of-the-art containment services. All facilities operate to current Good Manufacturing Practice (cGMP) and can produce materials for pre-clinical testing, clinical trials and commercial use. Dishman's HiPo API facility at Bavla, coupled with the capabilities in HiPo API in Switzerland, provide a customer compelling set of assets and technical skills. The HiPo API facility in Bavla, Unit 9, is



world-class, designed and constructed with current state-of-the-art systems and procedures which ensure complete continuity with facilities in Switzerland, thus providing a complete end-to-end API supply chain 'under one roof'.

D. Seamless Integration of Capabilities

We continue to cross sell our multiple broad-based capabilities across geographies and leverage fresh opportunities wherever possible. Our joint Global Sales team continues to project the Group as "One Company - Two Brands" under the Carbogen Amcis and Dishman brands. Our unified approach in projecting the disparate and wide-spread capabilities is already beginning to have a positive impact. We have been successful in integrating our capabilities across our Swiss, India and China development and manufacturing facilities, which has helped to start utilising our global capacities in an optimal manner. Unit 9 is implementing projects that have been successfully transferred to Bavla, after being developed at the Swiss facility in its early stages.

OUR PRIME GROWTH DRIVERS IN FY2017:

- CRAMS segment continued to grow
- Robust topline growth and margin improvement at Carbogen Amcis led by commercialisations, ADC and Unit 9-HiPo
- Increased capacity utilisation and margin improvement in China

- Sustained growth in Vitamin D business
- Focus on high margin products and reduced concentration on low-margin business

OUR KEY STRATEGIES IN PLAY

Diversifying our Customer Base

Dishman earlier had a very high customer concentration in the form of large pharmaceutical MNCs in the US and UK. However, it changed its strategy by diversifying and widening its existing customer base for global CRAMS business. By diversifying our customer mix, we are ensuring we are not over dependent on our business with large pharmaceutical companies. We have added many small and mid-size biotech companies into our customer portfolio, which are largely concentrated on new chemical entity development and eventual commercialisation. This also helps us de-risk our business model and ensure that we are able to develop the molecules at a faster pace and at a lower cost.

Increasing Focus on Innovative and Niche Generic APIs

We are significantly enhancing our focus on innovative and niche generic APIs in a bid to enhance our business and increase utilisation of spare capacities, without any additional capex. Due to our philosophy of understanding the unmet needs of the society in terms of the critical diseases and addressing them with newly developed chemical entities, we are highly focused on niche therapies across innovator and generic APIs. During the year, we had a successful inspection at the facility at Bavla, near Ahmedabad in Gujarat, and received the Establishment Inspection report (EIR) from USFDA.

Strengthening Order Book and New Product Launches

The Group has a strong pipeline of development molecules across different phases. A key driver for CRAMS is the niche development molecules and strong order book at Carbogen Amcis AG and India facilities. The Company currently has about ~15 Late Phase III molecules, which is a very healthy pipeline entering the commercial stage. At

least a few molecules are expected to go commercial in the next 2-3 years, which are expected to yield significant revenue and profitability growth. The Company will ensure that its development pipeline is always full with niche molecules so that there are more chances of the molecule going commercial.

Focusing on Margin Improvement

The entire management philosophy is to develop and manufacture APIs for new chemical entities and niche generics, which are required by the patients suffering from the critical illness diseases. Keeping this in mind, the company has identified key therapeutic areas like oncology, cardiovascular, central nervous system and ophthalmology where it would largely focus its energies. These molecules will add significantly to the profitability parameters of the Company. Also, the Company has done away with manufacturing certain low margin products and that strategy would continue going forward.

This will also help the Company in better utilisation of its existing capacities by manufacturing high margin products without incurring any significant capital expenditure. In addition to the above, the company continues its focus on improving operational efficiencies and cost reduction measures with a view to improving profitability at operational level without impacting the revenue growth. With debt reduction and conversion of rupee debt into foreign currency debt plans in place, the finance cost is expected to reduce over the coming years. All of the above efforts should help the company improve its profits margins even further, going forward.

MANAGEMENT OUTLOOK

During the year under review, we improved capacity utilisation at our manufacturing facilities by focussing more on small and mid-sized companies. There was also efficient utilisation of our HiPo facility, besides the facilities in India and China. We also diversified across new geographies, besides increasing our penetration in the US market and leveraging cross-selling opportunities. We churned our existing capacities better by focussing more on the low-volume, high-value orders which improved our margins.

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We also earned incremental revenues from the HiPo business where realisations are higher – in the range of 40% to 50%. Our margins also improved due to value-added order execution from our recently renovated Vitamin D facility at Netherlands. Moving ahead, there is no major capex planned for the next few years. About ~73.50% of our portfolio is geared towards higher-end API supplies. Vitamin D3, bulk drugs, generic APIs and disinfectants account for the balance ~26.50%. Our key focus in Vitamin D3 is more on quality. Interest cost savings due to debt repayment and margin expansion will drive our earnings CAGR over the next few years. Scalability of the HiPo facility at Bavla and approvals from regulatory authorities is seen leading to better profitability.

RESEARCH & DEVELOPMENT

With strong R&D experience and effective relationships with MNC Customers, we are today a premier contract manufacturing organisation. We spent the year acquiring newer and sophisticated analytical instruments which helps us undertake complex and high-cost research projects in steroids and oncology drugs. Globally, we have more than 550 scientists. We have more than 50 Doctorates as Senior Scientists and 200 Scientists working under them in India.

Management Discussion & Analysis

Our continued focus is to keep improving the current processes, aimed at better operations and productivity. We have thirteen multi-purpose R&D-cum-production units at Bavla and two multi-purpose production units at Naroda, near Ahmedabad, Gujarat. We also have our manufacturing and R&D facilities at Switzerland, France, the UK and Netherlands. Our Greenfield manufacturing facility is located at Shanghai Chemical Industry Park, Shanghai, China. As part of our business strategy, we have been continuously increasing the number of clients to reduce dependency on any single client. This is also aimed at increasing our product range to reduce product risk and also enter contract manufacturing through contract research of new molecules. Our strategy is also aimed at entering specific markets with relevant marketing innovation and technology transfer in developing markets.

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FINANCIAL OVERVIEW

Business Highlights (Consolidated)

(₹ In Crores)			
Particulars	2016-2017	2015-2016	Growth (%)
Net Sales & Operating Income	1,713.69	1,601.69	6.99%
Other Income	26.13	26.54	-1.54%
Total Income	1,739.82	1,628.23	6.85%
EBITDA	479.50	436.75	9.58%
Depreciation	213.51	197.51	8.10%
PBIT	265.1	239.24	10.81%
Interest & other Finance charges	49.01	94.44	-48.10%
Profit Before Tax	216.09	144.8	49.23%
Tax Expense	70.66	42.11	67.80%
Profit after Tax	145.43	102.69	41.62%



During the year, the turnover has gone up to ₹ 1,713.69 Crores, compared with ₹ 1,601.69 Crores resulting in a growth of 6.99%. CRAMS segment registered a turnover of ₹ 1,259.60 Crores, compared to ₹ 1,142.49 Crores during the previous year. Other segments which includes bulk drugs, intermediates, Quats and speciality chemicals and outsourced/traded goods decreased to ₹ 454.09 Crores, against ₹ 459.20 Crores in the previous year.

CRAMS is our largest business segment which caters to the requirements of multi-national pharmaceutical companies internationally. We develop intermediates/APIs based on our customer's request. This business involves significant R&D efforts to develop the products, processes. Our wholly owned subsidiary Carbogen Amcis located in Switzerland is spearheading our R&D efforts. Around 73.50% of our consolidated turnover is generated from CRAMS segment.

Other segments (which includes bulk drugs, intermediates, speciality chemicals and outsourced/trade goods) contributed around 26.50% of consolidated turnover in 2016-2017. Out of ₹ 1,713.69 Crores sales, Carbogen Amcis has accounted for sales of ₹ 912.05 Crores (previous year ₹ 779.46 Crores), Vitamin D and speciality chemicals business has accounted for sales of ₹ 241.43 Crores (previous year ₹ 223.19 Crores) and CARBOGEN UK Ltd. accounted for sales of ₹ 48.92 Crores (previous year ₹ 68.86 Crores). Remaining sales of ₹ 511.29 Crores (previous year ₹ 530.18 Crores) was accounted by DPCL and its trading subsidiaries.

Material Costs

- Raw material consumption for the year was ₹ 329.30 Crores, as against ₹ 341.94 Crores in the previous year.
- Inventory of raw materials decreased by ₹ 56.82 Crores during the year.
- Work in process decreased by ₹ 15.61 Crores and finished goods increased by ₹ 15.88 Crores, respectively.

Manufacturing Expenses

- Manufacturing expenses mainly comprise Power & Fuel ₹ 49.47 Crores and Repairs & Maintenance ₹ 70.44 Crores. This was against ₹ 46.61 Crores and ₹ 84.80 Crores, respectively, in the previous year.
- Our Manufacturing Expenses accounted for 8.26% of sales during the year, as against 9.85% during the previous year.

Administrative, Selling and Other Expenses

- Our major components of administrative, selling and other expenses include rent, rates & taxes, legal & professional charges, clearing & forwarding, travelling & conveyance, and insurance premium, among others.
- Administrative, selling and other expenses for the year amounted to ₹ 193.48 Crores as against ₹ 176.50 Crores during the previous year.
- These expenses accounted for 11.29% sales during the year, as against 10.25% during the previous year.

Employee Emoluments

- Employee emoluments (other than managerial remuneration) increased to ₹ 596.02 Crores during the year, as against ₹ 528.94 Crores during the previous year.

Interest and Finance Charges

- Interest and Finance charges during the year decreased to ₹ 49.01 Crores, as against ₹ 94.44 Crores during the previous year.

Depreciation and Amortisation

- Depreciation charges for the current year amounted to ₹ 120.95 Crores, as against ₹ 105.95 Crores during the previous year.
- Amortisation charges for the current year stood at ₹ 92.55 Crores as against ₹ 91.57 Crores in the previous year.
- Addition to fixed assets during the year was ₹ 155.08 Crores, as against ₹ 117.04 Crores during the previous year.

Provision for Tax

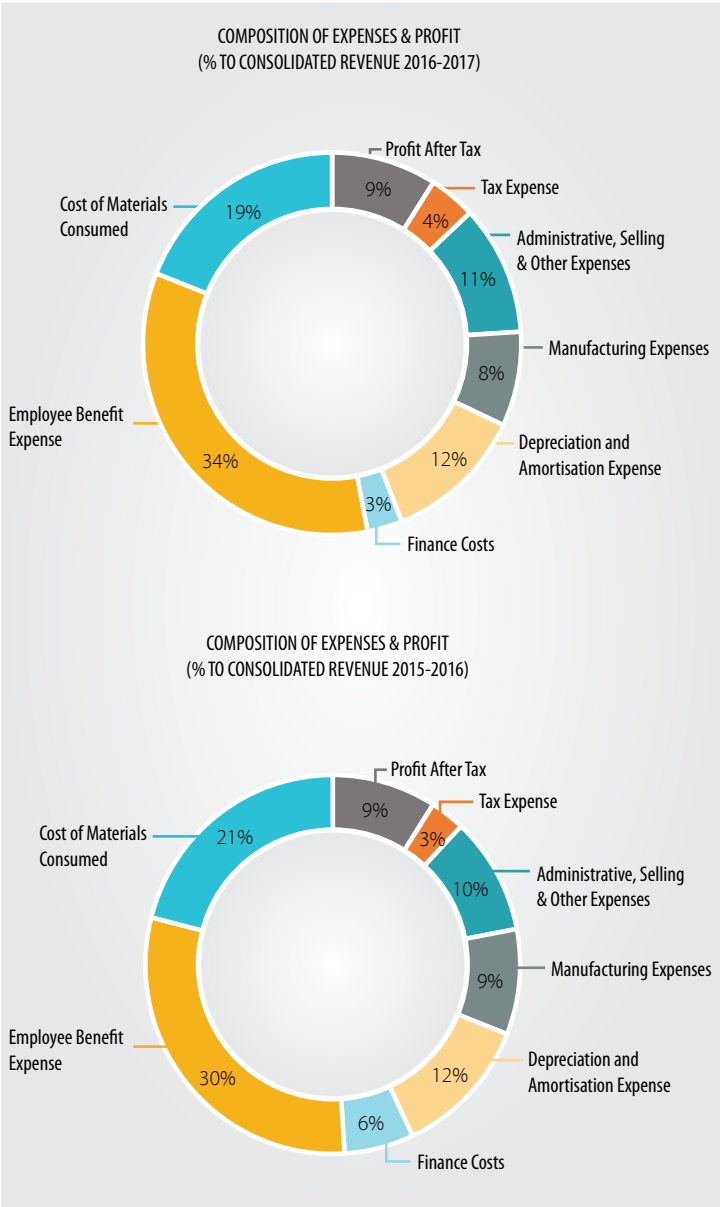
- ₹ 70.65 Crores (net of MAT entitlement) was provided during the year towards current tax, as against ₹ 42.11 Crores during the previous year. The Company has provided provision for deferred tax of ₹ 22.76 Crores during the year, as against deferred tax written back of ₹ 5.82 Crores during the previous year.

Profit After Tax

- Net Profit After Tax for the current year was ₹ 145.43 Crores, as against ₹ 102.69 Crores during the previous year.
- Cash Profit After Tax for the current year works out to ₹ 381.69 Crores, as against ₹ 294.38 Crores during the previous year.

Earnings Per Share

- Basic Earnings Per Share for the current year works out to ₹ 9.01, as against ₹ 6.63 during the previous year.
- Cash Earnings Per Share for the current year works out to ₹ 23.65, as against ₹ 36.49 in the previous year.





Financial Condition

(i) Secured Loans:

Secured loans stood at ₹ 812.36 Crores as at 31st March, 2017, as against ₹ 694.72 Crores as at 31st March, 2016.

(ii) Unsecured Loans:

Unsecured loans as on 31st March, 2017 were at ₹ 137.35 Crores, as against ₹ 247.69 Crores as on 31st March, 2016.

(iii) Inventories:

Major items of inventories as of 31st March, 2017 are as under:

(₹ In Crores)

Particulars	2016-17	2015-16
Raw Materials	96.35	153.17
Work in Process	193.64	209.25
Finished Goods	136.58	120.70

(iv) Debtors:

As of 31st March, 2017 amounted to ₹ 285.55 Crores, as against ₹ 152.33 Crores during the previous year.

(v) Cash & Bank Balance:

Cash and Bank Balance as on 31st March, 2017 is ₹ 87.39 Crores, as against ₹ 61.25 Crores as on 31st March, 2016.

(vi) Creditors:

Creditors as of 31st March, 2017 is ₹ 85.64 Crores as compared to ₹ 86.97 Crores as at 31st March, 2016.

Our internal control system is supplemented by extensive internal audits, conducted by independent firms of chartered accountants in close coordination with finance and account department. The findings of Audit Team are discussed internally as well as in audit committee meetings.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Business Segments of the Company comprise the following:

Segment	Description of the Activity
CRAMS	Contract Research and Manufacturing Segment under the long-term supply agreements
Others	Bulk Drugs, Intermediates, Quats and Speciality Chemicals and outsourced/traded goods

The break-up of Company's total income from the product segments – "CRAMS Segment" and "Other Segments" for the last three years is as under:

(₹ In Crores)

Product Segment	March 31 st 2015	March 31 st 2016	March 31 st 2017
CRAMS	1,100.93	1,142.49	1,259.60
Others	474.26	459.20	454.08
Total	1,575.19	1,601.69	1,713.68

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The Company continuously takes initiatives in reducing its manufacturing costs by employing lean manufacturing techniques and broadening its product base.

INTERNAL CONTROL SYSTEMS

Your Company has a well established system of internal control and internal audit, commensurate with its size and complexity of the business and considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). Your Company has appropriate internal control systems for business processes with regards to efficiency of operations, financial reporting, compliance with applicable laws and regulations, among others and with the objective of safeguarding the Company's assets, ensuring that transactions are properly recorded and authorised and providing significant assurance at reasonable cost, of the integrity, objectivity and reliability of financial information. The Company continually upgrades internal control system by adding better process control, various audit trails and use of external management assurance services, whenever required. The internal control system is supplemented by extensive internal audits, conducted by independent firms of chartered accountants in close coordination with finance and account department. The findings of Audit Team are discussed internally as well as in audit committee meetings. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them.

RISK MANAGEMENT

Global operations and product development for regulated markets pose significant challenges and risks for the organisation. Such risks, if not identified and addressed properly in a timely manner could adversely impact accomplishment of the overall objectives of the organisation and its sustainability.

An effective risk management framework enhances the organisation's ability to proactively address its risks and opportunities by determining a risk mitigation strategy and monitoring its progress on continuous basis. Our Enterprise Risk Management (ERM) framework encompasses practices relating to identification, assessment, monitoring and mitigating of various risks to key business objectives. ERM at Dishman seeks to minimise adverse impact of risks on our key business objectives and enable the Company to leverage the market opportunity effectively.

Our risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritise, manage/mitigate, monitor and communicate the risk across the Company. Senior management personnel are part of our risk management structure. Plant level committees headed by senior management personnel meet at regular intervals to identify various risks, assess, prioritise the risks. After due deliberations, appropriate strategies are made for managing/mitigating the risks. The Company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies. Audit Committee advises the Board on matters of significant concerns for redressal.

OPPORTUNITIES AND THREATS

Most of the innovator companies are facing challenge of depleting research pipeline and losing patent protection for their blockbuster drugs in the next few years. The new drug discovery process is also becoming more difficult with reducing success probabilities and increasing research and development costs. This has opened up opportunities to CRAMS players from low cost destinations like India.



Dishman has identified this opportunity very early and started working with innovators with custom synthesis projects and contract manufacturing of APIs, which result into overall growth in turnover. In view of the huge potential the CRAMS segment offers to Indian companies, many of the big pharmaceutical companies in India started exploring opportunities for a share in CRAMS segment with big investments. This may result in increased competition in the long run. In addition to the above, another major development has been on the New Molecule Entities (NMEs) front. Most of the recent innovation in this segment has come from small to mid-sized bio-pharmaceutical organisations. This has changed the dynamics of this business as the large pharmaceutical players are increasingly become mainly marketing and finished dose form organisations. The Company believes that it can manufacture various APIs/intermediates and speciality chemicals of best quality at a low cost. Many of innovator companies are outsourcing their products to our Company. Recognising this opportunity, the Company continued to take initiatives in reducing its costs by employing lean manufacturing techniques & resource management initiatives and broadening the product base.

INFORMATION TECHNOLOGY

With the changing scenario, your Company is also adopting the best technology from time to time. Your Company has implemented a Disaster Recovery Site. The Company has implemented MRP module for in-time inventory control. The Company also plans to upgrade latest available technology in security. After successfully running the SAP, your Company is on the verge of implementing SAP Costing Module, Business Intelligent for taking effective decisions. The Company also wants to start its activities on the E-procurement module, upgrade its network from Megabyte to Gigabyte and upgrade its servers from time to time.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

The Company has continued with its drive to institutionalise and upgrade its HR processes. The diversified skill sets of our employees add significant worth to the Company. Every organisation which values and appreciates its Human Resource succeeds in its goals and receives positive results as they are human capital of the organisation.

Dishman always believes in the concept of human empowerment. It firmly believes that human resource is the most important assets of the organisation. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year, your Company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the Company is to create culture and value system and behavioural skills to ensure achievement of its short and long-term objectives. The Company as on 31st March, 2017, has 845 employees on its roll and continues to attract excellent talent both from within and outside India to further its business interests. Industrial Relations continue to be cordial.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Dishman Carbogen Amcis Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Dishman Carbogen Amcis Limited's Annual Report, FY2017.

Notice

NOTICE is hereby given that the **10th Annual General Meeting** of the Members of **DISHMAN CARBOGEN AMCIS LIMITED** [formerly Carbogen Amcis (India) Ltd. and after merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into the Company] will be held on **Thursday, the 28th, September 2017 at 10:00 a.m.** at H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividend on equity shares declare and paid by erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (Transferor Company).
3. To appoint a Director in place of Mr. Arpit J. Vyas, (DIN : 01540057) who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint Joint Statutory Auditors of the company and to fix their remuneration, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 for appointment of statutory auditors read with the Companies (Audit and Auditors) Rules, 2014, M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, (Firm Registration No.110240W) and M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No.103523W) be and are hereby appointed as the Joint Statutory Auditors of the Company, to hold office from the conclusion of this 10th Annual General Meeting till the conclusion of 14th Annual General Meeting, and both appointment shall be subject to ratification by the members at every Annual General Meeting to be held during the said period.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix such remuneration and other terms & conditions of appointment of the Joint Statutory Auditors as may be recommended by the Audit Committee in consultation with the Joint Statutory Auditors.”

Registered Office

Bhadr Raj Chambers,
Swastik Cross Roads
Navrangpura, Ahmedabad-380 009

By Order of the Board of Directors

Shrima Dave
Company Secretary

Date : 16th May, 2017

Notice (Contd.)

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

The instrument appointing the Proxy should, however, be received at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

2. Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of directors seeking appointment/reappointment as director under Item No. 3, is as under:

Name of the Director	Mr. Arpit J. Vyas
Age	31 Years
Date of first Appointment on the Board of the Company	7 th April, 2012
Qualification	He is Chemical Engineer. He has completed his Chemical Engineering degree from the University of Aston, Birmingham.
Experience	He has gained a rich experience in the field of Marketing. He was first appointed as an Additional Director in erstwhile Dishman Pharmaceuticals and Chemicals Ltd., and thereafter as the Whole-time Director w.e.f. 1st June, 2009 and then as Managing Director w.e.f. 28th May, 2013 and also appointed as CFO w.e.f. 17th July, 2015. He has been extremely instrumental in the strategic decision-making processes and Marketing Policies and the overall operation of the Company's plants worldwide. He is completely in charge of the corporate functions such as finance, legal, IT, marketing, sales, etc.
Disclosure of Relationship	He is son of Mr. Janmejy R. Vyas, Chairman & Managing Director and Mrs. Deohooti J. Vyas, Whole Time Director of the Company.
No. of Shares held in the Company	1000
Terms and Conditions of Re-appointment	As per the resolution passed by the members of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. at 30 th Annual General Meeting held on 30 th July, 2013, Mr. A. J. Vyas has been re-appointed as Managing Director for a period five years w.e.f. 1 st June, 2014. In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the Meeting and being eligible offer himself for re-appointment.
Remuneration last drawn	Rs.1.80 crores
Remuneration proposed to be paid	As per existing terms and conditions
Number of meetings of the Board attended during the financial year	Pl. refer Corporate Governance Report section of the Annual Report 2016-17.
Directorship held in other Companies	
Chairmanship/Membership of Committees of other Boards	

Notice (Contd.)

3. The Register of members and share transfer books of the Company will remain closed from **Thursday, the 21st day of September, 2017 to Thursday, the 28th day of September, 2017 (both days inclusive)** for the purpose of Annual General Meeting.
4. Shareholders holding shares in electronic mode are requested to notify immediately any change in their address, to their DP and Shareholders holding shares in physical mode are requested to notify any change in their address to the Registrar & Share Transfer Agent of the Company.
5. **To support 'Green Initiative' shareholders who hold shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with their concerned Depository Participant. Shareholders who holds share in physical mode are requested to register their email addresses with the Company/ Registrar.**
6. Members/Proxies attending the meeting are requested to bring the duly completed Attendance Slip to the Meeting. Members, who have registered their email addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs, are being sent Notice of AGM by email and others are being sent by permitted mode.
7. Electronic copy of the notice of the Annual General Meeting along with Annual Report *inter-alia*, including remote e-voting instructions, proxy form and attendance slip is being sent to all the shareholders whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 25th August, 2017 at the email IDs registered with the Company/DP for communication purposes. For those shareholders whose name stand registered in the Register of Members as on 25th August, 2017 and who have not registered their email address, physical copies of the Notice of the Annual General Meeting along with Annual Report *inter-alia*, including remote e-voting instructions, proxy form and attendance slip is being sent to them in the permitted mode. In case you wish to receive the above documents in physical form, you are requested to please inform to the below mentioned E-mail ID. Please quote Name, your Demat Account No. [DP ID No. and Client ID No.] at email ID: grievance@dishmangroup.com.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. **Thursday, 21st September, 2017.**

9. E-Voting

In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (LODR), 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for Remote e-voting.

In case of Members who are entitled to vote, amongst members present in person at the meeting, but have not exercised their right to vote by electronic means, the Chairman of the Company shall allow voting by way of poll in terms of Rule 20 (4) (xi) of the said Rules for the business specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.

The information with respect to Voting Process and other instructions regarding Remote e-voting are detailed hereinafter under "Instruction for e-voting".

10. General information on E-voting

- (i) The e-voting period commence on, **Monday, 25th September, 2017 at 9.00 a.m. and ends on Wednesday, 27th September, 2017 at 5.00 p.m.** During this period, shareholders holding shares either in physical form or in dematerialised mode as on **Thursday, 21st September, 2017 (cut-off date)** may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter. Once the vote on resolution is casted by the shareholder, he shall not be allowed to change it subsequently.

Notice (Contd.)

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- (ii) Mr. Ashok P. Pathak, Practicing Company Secretary (Membership No. ACS: 9939; CP No: 2662) (Address: F-904, Titanium City Centre, 100 ft. Anand Nagar Road, Near Indian Oil Petrol Pump, Satellite, Ahmedabad-380015) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process in a fair and transparent manner.
 - (iii) The scrutinizer shall count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company.
 - (iv) The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.
 - (v) The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website www.dishmangroup.com and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited.
11. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
12. Annual Report for the FY 2016-17 of the Company has been uploaded on website of the Company i.e. www.dishmangroup.com
13. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend upto and for the financial year 2008-2009, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- As per the notification issued by Ministry of Corporate Affairs (MCA), details of unclaimed dividend amounts as referred to sub section (2) of Section 125 of the Companies Act, 2013, is available on the Company's website: www.dishmangroup.com
- The new IEPF Rules mandate the companies to transfer the shares of those shareholders whose dividends remain unpaid/unclaimed for a period of Seven consecutive years to the demat account of IEPF Authority. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.
14. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during office hours on all working days, except Saturdays and Sundays, between 2.00 p.m. and 4.00 p.m. up to the date of the Annual General Meeting.
15. Members are entitled to make nomination in respect of shares held by them. Members desirous of making nominations are requested to send the prescribed Form duly filled in and signed by them to the Depository Participants in case the shares are held in electronic form.
16. The route map showing directions to reach the venue of the 10th Annual General Meeting is annexed.

Notice (Contd.)

INSTRUCTION FOR E-VOTING

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on **Monday, 25th September, 2017 at 9.00 a.m.** and ends on **Wednesday, 27th September, 2017 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** (record date) i.e. **Thursday, 21st September, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Notice/Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN 170825006** for the relevant "**Dishman Carbogen Amcis Limited**" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Notice (Contd.)

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- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details

Company

Registrar & Transfer Agent
Ahmedabad Office

e-Voting Agency

Scrutinizer

Dishman Carbogen Amcis Limited.

Link Intime India Pvt. Ltd.

506-508, Amarnath Business Centre-1, (ABC-1),
Besides Gala Business Centre, Near St. Xavier's College Corner,
Off C G Road , Ellisebridge, Ahmedabad - 380 006
Email: ahmedabad@linkintime.co.in

Central Depository Services (India) Limited

Email: helpdesk.evoting@cdslindia.com

Mr. Ashok P. Pathak, Practicing Company Secretary

Email: csashokppathak@gmail.com

Directors' Report

To
The Shareholders of
Dishman Carbogen Amcis Limited
[formerly Carbogen Amcis (India) Ltd.]

Your Directors have pleasure in presenting their Report along with the Audited Accounts of the Company [after merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") into the Company] for the year ended March 31, 2017.

FINANCIAL RESULTS

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2016-2017	2015-2016*	2016-2017	2015-2016*
Revenue from Operations	516.74	451.49	1,713.69	1,601.69
Earning Before Interest Tax Depreciation and Amortisation (EBITDA)	148.13	171.24	453.35	410.21
Other Income	70.80	61.71	25.26	26.54
Depreciation	47.40	48.08	125.06	109.06
Amortisation of Goodwill	88.45	88.45	88.45	88.45
Profit Before Interest and Tax	83.08	96.42	265.10	239.24
Finance Costs	39.17	69.48	49.01	94.44
Profit Before Tax	43.91	26.94	216.09	144.80
Tax Expense	19.67	11.94	70.66	42.11
Profit After Tax	24.24	15.00	145.43	102.69

* For comparison of the financial performance of FY 2016-17 with FY 2015-16, the figures of FY 2015- 2016 are taken after considering the Scheme adjustments w.e.f. Appointed Date i.e. 1st January, 2015 along with the audited figures for the year ended 31st March, 2017.

PERFORMANCE AND OPERATION REVIEW

Standalone Financial Results*

In FY 2016-17, your Company achieved revenue of ₹ 516.74 crores as compared to ₹ 451.49 crores in FY 2015-16. Profit before tax stood at ₹ 43.91 crores in FY 2016-17 as against ₹ 26.94 crores in FY 2015-16. Profit after tax for the year remain at ₹ 24.24 crores in FY 2016-17 as compared to ₹ 15.00 crores in FY 2015-16.

Earning per share for the FY 2016-17 remains at ₹ 1.50 per share as against ₹ 0.93 per share in FY2015-16.

Consolidated Financial Results*

In FY 2016-17, your Company achieved revenue of ₹ 1713.69 crores as compared to ₹ 1601.69 crores in FY 2015-16. Profit before tax stood at ₹ 216.03 crores in FY 2016-17 as against ₹ 144.80 crores in FY 2015-16. Profit for the year remains at ₹ 145.43 crores in FY 2016-17 as compared to ₹ 102.69 crores in FY2015-16.

Earning per share for the FY 2016-17 remains at ₹ 9.01 per share as against ₹ 6.36 per share in FY2015-16

A detail analysis of the performance of the company, its subsidiaries and financial results is given in the Management Discussion and Analysis Report, which forms part of this report.

* For comparison of the financial performance of FY 2016-17 with FY 2015-16, the figures of FY 2015- 2016 are taken after considering the Scheme adjustments w.e.f. Appointed Date i.e. 1st January, 2015 along with the audited figures for the year ended 31st March, 2017.

DIVIDEND

On February 13, 2017, the Board of Directors of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") has

Directors' Report (Contd.)

declared an interim dividend of Rs.1.20 (i.e. @ 60%) per equity share on 16,13,94,272 Equity Shares of Rs.2.00 each, amounting to Rs.19.37 crores and paid to the members, whose names appeared on the Register of Members of DPCL on February 21, 2017. Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company and therefore no final dividend has been recommended and the interim dividend declared by the erstwhile Dishman Pharmaceuticals and Chemicals Ltd., is the dividend on equity shares of the Company for the financial year ended March 31, 2017.

TRANSFER TO RESERVES

Due to amortization of Goodwill on account of merger, the Company has not transferred any amount to the General Reserves.

DEPOSIT

The Company has neither accepted nor invited any deposit from public, falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

OPERATIONS

During the year, your company performed exceedingly well by achieving increase in revenues as well as improvement of profitability parameters. This was made possible by increase in sales in CRAMS segment, achieving operational efficiencies, reduction in costs and consciously reducing the sales of low-margin products. Due to the above efforts, your company's operating revenue has increased by 14% in FY 2017 as compared to FY 2016. Moreover, the operating margin has improved from 26% in FY 2016 to 27% in FY 2017. All key business verticals of the Company and also all major subsidiaries of the Company have performed exceedingly well.

CRAMS

Your company's contract research business has done exceedingly well as your scientists have diligently put efforts on developing new chemical entities across different phases of API development. This has resulted in fantastic results for your company as the number of molecules in late Phase III have increased significantly. Many of the molecules that are under late Phase III development have received the breakthrough status from the regulatory agencies, which speaks volumes of the kind of research capability that has been built across the group. Your company also started focusing on five key therapeutic areas, which are namely, oncology, ophthalmic, cardiovascular, CNS and drugs under orphan category. The reason for choosing these five therapies was largely driven by the idea of working towards addressing the unmet needs of the society and today, unfortunately, these are some of the most critical therapeutic areas where more research work is required. The close integration between the Swiss, India and China operations is working exceedingly well for the group due to which your company has been able to utilize the capabilities and capacities of the people and assets in an optimum manner. During the year, one of the life-saving oncology drugs, for which your company was doing development work on the API since last ten years, received the approval from the US FDA in FY 2017, which was a significant landmark in the history of your company.

The CRAMS segment across India, Switzerland, France, UK and China manufacturing facilities has performed very well during the year under review on account of addition of new clients, new molecules and increase in repeat business from existing customers. Your company has a very strong relationship with the global pharma innovators and biotech companies, which is helping it immensely in getting new businesses. Your company's profound research capabilities has allowed it to take many molecules with anti-body drug conjugate technology for development, which would be a significant breakthrough as and when they get developed.

Your company's subsidiary Carbogen Amcis AG had been operating at almost 95% capacity utilization levels due to the huge order flow for development work that has been coming to the company due to its advanced scientific base. However, this led to the problem of not able to take on certain new orders on immediate basis due to not having enough idle capacity. In order to debottleneck this issue, your subsidiary acquired a building in Switzerland so that it does not have to reject orders just on account of development capacity constraint. This building is expected to be operational from the end of first quarter of FY 2019. Once the building is operational, the development revenues of Carbogen Amcis are expected to increase significantly over a period of time.

Lastly, it is significant to note that the entire focus of your company is to make a difference to this world by developing and manufacturing molecules, which would help people suffering from chronic diseases lead a better and happy life. This approach has yielded significant results for your company and will continue to do so in the future.

Directors' Report (Contd.)

Hi-Po Unit

Your company's Hi-Potency –Unit 9 facility has been a key driver of the group's strategy to develop and manufacture highly complex New Chemical Entities. The API for one of the significant formulated product of the customer, which received approval from the US FDA in the last financial year, was successfully developed in the HiPo facility. Your company has a strong scientific capability in India in addition to the one in Switzerland. The synergies between these two entities have been growing tremendously and this has started yielding significant results. The API which was successfully developed in the HiPo Plant was developed initially at the company's Swiss facility and then the molecule along with its technology was successfully migrated to the company's HiPo unit in India in the later phases of development work. Your company now expects more molecules out of this unit to be successfully developed, which would present a tremendous growth opportunity to the group.

Your company has planned to undertake expansion of the current installed capacities in this unit over the next 12 to 18 months. This expansion would largely involve installing the machineries for the remaining two cells and the custom block as currently only two cells are operational and running at full capacity. As your company sees sizeable order book going forward for this unit due to one of the molecules being successfully developed, this capacity increase is inevitable. Your company expects significant ramp up in the revenues from the HiPo unit on account of the strong pipeline of products, which would be developed and manufactured in this plant. Due to the complex nature of the products that would be developed and eventually manufactured in this unit, your company also expects the overall profitability margins to increase further as the capacity utilization of this plant increases.

Vitamin D3

Your company's subsidiary Dishman Netherlands continues to perform exceedingly well by producing and selling quality Vitamin D3 analogues and cholesterol. Due to the change in strategy at Dishman Netherlands and the company's renewed focus on Vitamin D3 analogues and cholesterol business over the last 2-3 years, the company has been able to achieve significantly higher margins. Your company's R&D team under the guidance of your Chairman and Managing Director has made unparalleled findings in synthetically developing a mechanism to alleviate the Vitamin D3 deficiency in people found deficient of the same. Your company expects that as the knowledge of the newly developed process gains traction in terms of market acceptance, the revenues of Vitamin D3 analogues should also increase. Moreover, your company may utilize its Shanghai assets for Vitamin D3 analogues as well in the future.

During the year under review, the operating profitability margins have improved from 30% in FY 2015-16 to 34% in FY 2016-17, which are expected to be sustainable margins for the future.

Generic API and Disinfectant Business

Your company has remained focus on its changed strategy around generic APIs where it plans to develop and manufacture niche generic APIs. Your company filed Drug Master File for one such API, which is an imaging dye to detect lymphatic cancer in the very early phase. Your R&D team is doing development work on many HiPo generic molecules as they understand that space very well and there are many old molecules, which have been discarded for development by large pharmaceutical companies, but could have very significant value in terms of the efficacy on the patients suffering from those diseases. Currently, generic APIs constitute an insignificant proportion of total revenues but with the change in strategy, this could be a significant growth driver for the future.

Your company's strategy of entering into long term agreements with certain global pharmaceutical companies for developing and manufacturing formulations for them is working quite well. This will help your company in better utilizing the assets for disinfectant plant in a better manner. However, your company's strategy is clear that it would not be manufacturing disinfectant products at the cost of margins. Your company expects this business to grow significantly in the coming years. Your company also has plans to manufacture soft-gel capsules in the disinfectant unit for its Vitamin D3 products, which would be a new area of Vitamin D contract formulation for your company.

Performance of Major Subsidiary Associates

The major subsidiary Companies have performed quite satisfactorily during the year under review. Carbogen Amcis AG Switzerland has performed quite satisfactorily during the year under review. It has reported a healthy revenue of ₹ 912.05 crores and Profit after tax ₹ 86.48 crores. The other marketing subsidiaries viz. Dishman USA reported revenue of ₹ 106.79 crores and Profit after tax of ₹ 1.87 crores. Dishman Europe reported a revenue of around ₹ 235.75 crores and Profit after tax of ₹ 16.16 crores during the year under review.

Directors' Report (Contd.)

Dishman Netherland BV., perform well during the year, reported revenue of ₹ 241.43 crores and Profit after tax of ₹ 50.06 crores. Carbogen Amcis Ltd.(U.K.) reported a revenue of around ₹ 48.92 crores and Profit after tax of ₹ 4.75 crores. Carbogen Amcis (Shanghai) Co. Ltd. (Dishman China) also perform well compared to the previous year, it was reported revenue of ₹ 52.74 crores and Profit before tax of ₹ 0.23 crores. Other Subsidiaries has also performed reasonably well during the year under review.

RESEARCH AND DEVELOPMENT

Imagination, Invention & Innovation are the three main pillars of Research and Development. It is the foundation upon which Company's strategy of manufacturing and marketing of Bulk Drugs, Intermediates (including contract manufacturing), Fine Chemicals, Quats & Specialty chemicals stands. Your company offers portfolio of services from process R&D in state-of-the-art laboratories, kilo and pilot plant trials in well equipped kilo labs and pilot plants and scale-up to full scale commercial manufacture in multi purpose production units as well as dedicated facilities for certain products as per customer requirement. By offering technical and manufacturing excellence in multiple locations around the globe, your Company is the global outsourcing partner for the pharmaceutical industry providing innovative development and value for money, long term commercial supply.

Company's Process research and development scientists work in well-equipped laboratories. These laboratories have an excellent analytical set up for monitoring the reactions. The development programs are designed to meet customer expectations which vary from project to project. Majority of the process development activities are aimed at optimizing the existing processes with an objective to make them economically and environmentally viable. During development, the safety and efficiency of the process is given the utmost importance.

With the ongoing changing regulatory scenario on drug design, we develop processes which are capable of producing very pure APIs with impurities well below the acceptable levels. Currently, above 400 projects are at various stages of development. These comprise of development project for new chemicals entities as well as generic APIs, including HiPo & NCEs & HiPo generic.

In generic APIs segment, we are focusing on new niche therapeutic areas like MRI contrast reagent API'S, Vitamin analogues, steroids, anticancer, antineoplastic drugs, anti-diabetic, anti-tuberculosis, antihypertensive, antiviral, antiseptic and ophthalmic drugs. For all the development activities, our scientific team and research scientists have access to online databases for all types of information requirement. At present more than 550 scientists, including doctorates work at the Company's R & D centre globally. Company was spent substantial incremental capex on acquiring newer and very sophisticated analytical instruments for the Bavla site which enables the company to undertake extremely complex and high cost research projects in steroids, oncology drugs, etc. In addition to this, we have equipped our scientific department with latest and comprehensive databases for research and marketable molecules.

The company's focus continued to remain in improving current processes for better operations and productivity which can be visible from continuously improving EBITDA growth. In our global unification program, we have increased the technical exchange between our sites in the Netherlands, Switzerland and India. This will certainly go a long way in improving chemistry capabilities worldwide.

Development in the sector of Vitamin analogues and steroids is key focus in joint collaboration with the technical team of Netherland unit. Currently three analogues are under development and three are under future planning. The UV irradiation technology is being installed and the development of two products using this technology is progressive. The development and formulation of new antiseptic series and its study on various bacteria's declared by WHO is ongoing as well as Development activity on series of new MRI contrast reagents and chelating agents, various bleaching agent catalysts is planned.

QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE)

Company's products and processes are developed in accordance with strictly defined local and international rules to ensure safety and Health of workers as well as the environment. This is achieved by conducting the Risk Assessment, Qualitative Risk Assessment, Process Hazard Assessment, Identification of significant environmental aspects, Safety Audits, customer audits, HAZOP study and Environment audits. Safety & Environment Management Program are being taken to reduce the Significant Risk & Environment Impacts.

Directors' Report (Contd.)

Dishman is committed towards excellence in Quality, Health, Safety and Environment Management and ensures that those working with the Company are safe at work and that everyone takes responsibility for achieving this. We include EHS and climate change-related considerations in our business decisions and strive to minimize any adverse impact on environment by our operational activities. Measuring, Monitoring, Reviewing, analyzing, appraising and reporting on environmental, health and safety performance is an important part of continual improvement in our EHS performance.

Dishman's Environment, Health and Safety (EHS) organization conducts strategic planning to establish long-term EHS goals, assess resources required to achieve specific goals, and ensure critical business alignment. Dishman considers feedback from internal and external stakeholders in proposing and establishing its long-term goals in manufacturing operations.

The Company's QHSE policy is being implemented, among others, through (i) Segregation of waste water in terms of High COD and Low COD and treated separately to achieve zero discharge by utilizing treated water for Utility services, washing activities and flushing activities. (ii) Stripper system, Multiple effect evaporator and ATFD for concentrated effluent stream; (iii) Biological Effluent Treatment System, Tertiary treatment, Two Stage R.O. System and Multiple Effect Evaporator for Dilute Stream Effluent. (iv) Practicing On-site emergency plan by conducting mock-drills; (v) Replacement of hazardous process / chemical to non-hazardous process for converting to low hazards; (vi) Fire detection and protection system available at site; (vii) Conducting intensive QHSE Training programs including contractor employees and monitoring the effectiveness of the same (viii) Participation of employees in Safety committee meetings at all levels and celebrating the National Safety Day / Week and World Environment Day as well as observing Fire Service Day (ix) Tree plantation to increase the green cover at site (x) Independent safety and environment audits at regular intervals by third party and also in-house by cross functional team; (xi) In-house medical and health facility at site for pre-employment & periodical medical check-up of all employees including contract employees; (xii) Additional health checkup for employees based on their occupational needs (xiii) Blood Donation Camp at site in association with the Ahmedabad Red Cross Society for social cause; (xiv) Participation and paper presentation on good practices adopted by Dishman on SHE management in National and International Conferences. (xv) Rated low risk facility by various international Customer by conducting in depth EHS audit. (xvi) Rain water Harvesting System to conserve rain water and improve ground water level.

Dishman continues to pursue world class operational excellence on Process Safety Management (PSM). Dishman has established the capabilities within the Company and developed in-house experts in various facets of PSM. Process Hazard Analysis (PHA) at various plants is being carried out to reduce process safety risks.

In its pursuit of excellence towards sustainable development and to go beyond compliance, Dishman integrated its ISO 14001:2004 EMS, ISO 9001:2008 QMS and ISO 18001:2007 OSHA management systems and certified for HACCP and FAMI-QS for Vitamin D3 plant. The company is also certified EN/ISO 13485:2012 for Medical Disinfectant Products. The adopted systems are being monitored for continual improvements.

Your Company's efforts are recognized by State Level, National Level and International level Awards from time to time. Indian Chemical Council (ICC) has authorized the Company for use of Responsible Care Logo, for three years, with effect from September-2016 to August-2019.

NON CONVERTIBLE DEBENTURES (NCDs)

As you are aware, in February, 2010 erstwhile Dishman Pharmaceuticals and Chemical Ltd. ("DPCL") has issued Secured Redeemable Non-Convertible Debentures of Rs.75.00 crores in the form of Separately Transferable Redeemable Principle Parts ("STRPPs") of Rs.10 lacs each fully paid-up on private placement basis and the said NCDs has been listed on the Bombay Stock Exchange Ltd. (BSE) in the list of securities of F Group - Debt Instrument w.e.f. 13th May, 2010. These NCDs will be redeemed at par at the end of 4th, 5th, 6th & 7th year in ratio of 20:20:30:30, respectively from the date of issue.

During the year, as per the terms of said NCD, on 18th February, 2017, DPCL has redeem last remaining 30% of the Non-convertible Debenture issued by DPCL in February, 2010 and accordingly; DPCL has paid Rs.24.83 Cr. towards principal payment and interest thereon to the Debenture holders. Now, as on 31st March, 2017, there is no outstanding NCDs and it has been fully repaid as per the terms. DPCL had regularly paid principal and interest on the said NCDs on the due date.

Directors' Report (Contd.)

BONUS SHARES

The Board of Directors of erstwhile Dishman Pharmaceuticals and Chemical Ltd. ("DPCL") in its meeting held on 24th February, 2016 recommended a Bonus issue of Equity shares in the ratio of 1 (one) equity share for every 1 (one) equity share held, as on the record date to be determined by the Board. On 5th May, 2016, DPCL has issued and allotted 8,06,97,136 equity shares of Rs.2/- each, as fully paid-up bonus shares in the ratio of 1 (one) equity share for every 1 (one) equity share held to those shareholders whose names appear in the Register of Members / List of Beneficial owners as on the Record Date i.e. on May 3, 2016. With this allotment, the total issued and paid-up capital of DPCL has increased to Rs.32,27,88,544/- and new allotted bonus shares has been listed and admitted to dealings on National Stock Exchange of India Ltd., Mumbai (NSE) and Bombay Stock Exchange Ltd., Mumbai (BSE) w.e.f. 13th May, 2016.

SCHEME OF ARRANGEMENT AND AMALGAMATION AND CHANGE OF NAME

The Board of Directors of the Company at their meeting held on 24th February, 2016 approved a Scheme of Arrangement and Amalgamation amongst the Company; Dishman Pharmaceuticals and Chemicals Limited (DPCL); Dishman Care Limited (DCL) and their respective shareholders and Creditors ("Scheme") in terms of the provisions of Section 391 to 394 of the Companies Act, 1956. The Rationale of the Scheme, amongst others was to consolidate the business so as to provide a high level of synergistic integration, better operational management and provide value addition. It re-emphasizes the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in one company. Synergies arising out of consolidation of business have lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements and improved alignment of debt.

The Scheme *inter alia* provided for the following:

- Transfer and vesting of the Effluent Treatment Plants (ETP) Undertaking of DPCL into Company, a wholly owned subsidiary of DPCL prior to the scheme becoming effective, by way of slump sale;
- Followed by, amalgamation of DCL, a wholly owned subsidiary of DPCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961;
- Followed by, amalgamation of DPCL into and with Company in accordance with Section 2(1B) of the Income Tax Act, 1961.
- Upon Scheme becoming effective Name of the Company has been Changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited".

Date on which the Scheme became effective and change of Name of the Company

The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned the Scheme and certified copy of the said order alongwith the Scheme has been received by the Company on 2nd March, 2017. The Scheme has become effective upon filing of certified copy of said order of Hon'ble High Court with the Office of Registrar of Companies, Gujarat/MCA on 17th March, 2017 ("Effective Date") and accordingly has been given effect in the books of accounts in year 2016-17. DPCL as a going concern, stands amalgamated with the Company with effect from the Appointed Date i.e. 1st January, 2015. Subsequently, in terms of the said Scheme, the name of Company has been changed to "Dishman Carbogen Amcis Ltd." w.e.f. 27th March, 2017 vide fresh certificate of Incorporation pursuant to change of name issued by the Office of Registrar of Companies, Gujarat.

Accounting Impact

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 – Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'ble High Court, Gujarat, which is different from Ind AS 103 "Business Combinations". Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of Rs.4810 crores payable by way of issue of shares of the Company has been disclosed as Share Suspense Account under other equity. The excess of consideration payable over net assets acquired has been recorded as goodwill amounting Rs.1326.86 crores, represented by underlying intangible assets acquired on amalgamation and is being amortized over the period of 15 years from the Appointed Date. Had the goodwill not been amortized as required under Ind AS 103, the Depreciation and Amortization expense for the year ended March 31, 2017 would have been lower by Rs.88.45 crores and the Profit Before Tax for the year ended March 31, 2017 would have been higher by an equivalent amount.

Directors' Report (Contd.)

Consequential effect of Scheme approved by the Hon'ble High Court of Gujarat

Changes in Authorised Capital and in Clause V of the Memorandum of Association

Particulars	Transferee Company/ Amalgamated Company 2	Amalgamating Company 1	Transferor Company/ Amalgamated Company 1/ Amalgamating Company 2
Name of the company	Carbogen Amcis (India) Limited ("CAIL") (Now Dishman Carbogen Amcis Ltd.)	Dishman Care Limited ("DCL")	Dishman Pharmaceuticals and Chemicals Limited ("DPCL")
Capital before the scheme	Authorized Share Capital :- ₹ 1,00,00,000/- (Rupees One Crore only) divided into 50,00,000 equity shares of ₹ 2/- each.	Authorized Share Capital :- ₹ 5,00,000/- (Rupees Five Lacs only) divided into 2,50,000 equity shares of ₹ 2/- each.	Authorized Share Capital :- ₹ 33,00,00,000/- (Rupees Thirty Three Crores only) divided into 16,50,00,000 equity shares of ₹ 2/- each.
Cancellation of shares on account of cross holding	Upon amalgamation, 2,50,000 equity shares of CAIL held by DPCL have been deemed to be cancelled.	Upon amalgamation, 2,50,000 equity shares of DCL held by DPCL have been cancelled and extinguished without consideration	--
Capital after the scheme	Authorised Capital now stands increased to ₹ 34,05,00,000/- divided into 17,02,50,000 equity shares of ₹ 2/- each.	--	--

Accordingly, Clause V of the Memorandum of Association of the Company has been replaced as above, without any further act, instrument or deed, pursuant to Sections 13 and 62 of the 2013 Act and Section 394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act.

Change in Main object clause

Consequent the Scheme becoming effective, the Main Object Clause of erstwhile DPCL and DCL have been inserted after sub-clause 1 of Clause III A of the Main Object Clause of the Memorandum of Association of the Company.

Change in paid-up capital of the Company

Upon scheme became effective, 2,50,000 equity shares of the Company held by DPCL have been stand cancelled and extinguished without consideration. The Company is in process of fixing Record Date for allotment of 161394272 equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger and thereafter the new equity shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

Others

Scheme also provides that all the resolutions of the Amalgamating Companies, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company i.e. Dishman Carbogen Amcis Limited and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

Details of Scheme are available on the Company's website link: <http://www.dishmangroup.com/investor-relations.asp>.

Directors' Report (Contd.)

LISTING

The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger and thereafter the new shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

Presently, the equity shares of the erstwhile DPCL are listed on the National Stock Exchange of India Ltd., Mumbai (NSE) and BSE Ltd., Mumbai (BSE) and the said shares are easily traded on both the stock Exchanges. However, after fixing the Record Date for allotment of equity shares of the Company to the shareholders of DPCL under the Scheme of merger, the trading will be suspended by both the Stock Exchanges due to procedural purpose till the new shares to be allotted to the DPCL's shareholders get listed on both the Stock Exchanges.

Annual listing fees for the FY 2017-2018, as applicable, have been paid before due date to the concerned Stock Exchanges.

FORMATION OF VARIOUS COMMITTEES:

The Board of Directors of the Company in its meeting held on 17th March, 2017 constituted several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Management Committee
- Sexual Harassment Committee

During the year, the Board of the Company as well as DPCL has accepted all the recommendations made by various committees including Audit Committee. The details with respect to the compositions, powers, terms of reference etc. of relevant committees are given in details in the Corporate Governance Report which forms part of this Annual Report.

DISCLOSURES UNDER THE COMPANIES ACT, 2013

i) Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is annexed herewith as **Annexure A** to this Report.

ii) Board Meetings

Regular meetings of the Board are held *inter-alia*, to review the financial result of the Company. Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses. Due to business exigencies, certain business decisions are taken by the board through circulation from time to time.

During the FY 2016-17, the Board met Five (5) times i.e. on 28th April, 2016, 15th June, 2016, 28th September, 2016, 17th December, 2016 and 17th March, 2017. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

iii) Related Party Transactions

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Since all the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure B** to this Board's report. The policy on Related Party Transactions has been approved by the Board and uploaded on the website of the Company. The details of the transactions with Related Party are provided in the accompanying financial statements vide note no.31 of notes on financial statement as per requirement of Ind AS 24 -related party disclosure. These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

Directors' Report (Contd.)

iv) Particulars of Loans, Guarantees or Investments under Section 186

During the year under review, the Company has made investments, Loan, guarantee in compliance of Section 186 of the Companies Act, 2013, the said details are given in the notes to the financial statements.

v) Material Changes and Commitments Affecting the Financial Position of the Company occurred after the end of Financial year

There are no material changes and commitments affecting the Financial Position of the Company occurred after the end of financial year.

vi) Subsidiaries, Joint Ventures and Associate Companies

During the year following changes happened in Subsidiary, Joint Ventures and Associate Companies:

- On 13th July, 2016, a new wholly owned subsidiary company namely "Dishman Carbogen Amcis (Singapore) Pte. Ltd." has been incorporated in Singapore.
- On 30th September, 2016, erstwhile DPCL has sold 50% stake of Dishman Biotech Ltd. (DBL), a subsidiary of DPCL to Mr. Janmejy R. Vyas. Earlier, DPCL is holding 72.33% stake in DBL and after selling of 50% stake, DBL ceased to be a subsidiary of DPCL and became a Joint Venture with a stake of 22.33%.
- In March, 2017, erstwhile DPCL has sold remaining 22.33% stake of DBL to Mr. Janmejy R. Vyas, Mrs. Deohooti J. Vyas, Ms. Aditi J. Vyas, Ms. Mansi J. Vyas and Mr. Arpit J. Vyas at the price of Rs.30/- per share.
- In March, 2017, erstwhile DPCL has sold its whole stake of 40% aggregating to 4,000 equity shares of Bhadra Raj Holding Pvt. Ltd. ("BHPL"), Associate Company of DPCL to Mr. Janmejy R. Vyas and Mrs. Deohooti J. Vyas at a value of Rs.4,161.76 per share.
- On 10th March, 2017, one of the wholly owned subsidiary viz. Cohecie Fine Chemicals B. V. (formerly known as "Dishman Holland B.V.") was struck off/wound-up. Also, Bhardr-Raj Holdings Pvt. Ltd. and Dishman Biotech Ltd., has been discontinued to be an associate and joint venture Company due to sale of investment by erstwhile DPCL of the said Companies.

In view of the above, the total number of subsidiaries including step down subsidiaries as on 31 March, 2017 was Sixteen (16).

SALE OF INVESTMENT:

During the year, erstwhile DPCL has decided to sell its Investment made in its following Associate and group companies to the promoter directors of the Company as part of restructuring process and to consolidate its investment made in entities without any material activities or loss making entities, details of the same are as under:

- During the year, erstwhile DPCL has sold its whole stake of 0.01% being 130 shares (face value of ₹ 10 each) of B.R. Laboratories Ltd. to Mr. Janmejy R. Vyas, Mrs. Deohooti J. Vyas, Ms. Aditi J. Vyas, Ms. Mansi J. Vyas and Mr. Arpit J. Vyas at a value of Rs.7.22 per share.
- During the year, erstwhile DPCL has sold its whole stake of 1% being 50,000 shares (face value of ₹ 10 each) of Dishman Infrastructure Ltd., to Mr. Janmejy R. Vyas at a value of Rs.91.87 per share.
- During the year, erstwhile DPCL has sold its whole stake 40% aggregating to 4,000 equity shares (face value of ₹ 10 each) of Bhadra Raj Holding Pvt. Ltd. ("BHPL") to Mr. Janmejy R. Vyas and Mrs. Deohooti J. Vyas at a value of Rs.4,161.76 per share.
- During the year, erstwhile DPCL has sold its whole stake of 72.33% being 10,84,980 equity shares (face value of ₹ 10 each) of Dishman Biotech Ltd., to Mr. Janmejy R. Vyas, Mrs. Deohooti J. Vyas, Ms. Aditi J. Vyas, Ms. Mansi J. Vyas and Mr. Arpit J. Vyas at the price of Rs.30/- per share.

Transfer of equity stake of Carbogen Amcis (Shanghai) Co. Limited ("CASCL") from erstwhile DPCL India to Dishman Carbogen Amcis (Singapore) Pte. Ltd., Singapore (DCASPL) :

Dishman Carbogen Amcis (Singapore) Pte. Ltd. is a wholly owned subsidiary of the Company, incorporated in Singapore. The erstwhile DPCL holding 100% shares in CASCL.

During the year under review, as a part of global restructuring process, erstwhile DPCL has decided to transfer its 100% investment held in CARBOGEN AMCIS (Shanghai) Co. Ltd., China to its another wholly owned subsidiary company namely Dishman Carbogen Amcis (Singapore) Pte. Ltd., by way of a share swap arrangement for a consideration of RMB 189.51 million.

Directors' Report (Contd.)

Further, the DCASPL intends to transfer the shares of CASCL to Company's wholly owned subsidiary CARBOGEN AMCIS Holding AG, Switzerland, by way of share swap. This will help the company in realigning the operations globally and ensure a more leaner and logical business structure.

CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, your Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of the Annual Report.

The annual financial statements and related detailed information of the subsidiary companies will be provided on specific request made by any shareholders and the said financial statements and information of subsidiary companies are open for inspection at the registered office of the company during office hours on all working day except Sunday and holidays between 2 p.m. to 4 p.m. The separate audited financial statement in respect of each of the subsidiary companies is also available on the website of the Company.

As required under Regulation 33 of SEBI (LODR) Regulations, 2015 and in accordance with the requirements of Ind AS 110, the Company has prepared Consolidated Financial Statements of the Company and its subsidiaries and is included in the Annual Report.

GENERAL DISCLOSURE

i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise:

During the year 2016-2017, the Company has not issue any of Equity Shares with differential rights as to dividend, voting or otherwise.

ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS :

During the year, the Company has not issued any shares under Employee Stock Option Scheme.

iii) Whether the Managing Director or the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries :

Managing Director and Whole time Director of the Company has not received any remuneration and commission from any Indian subsidiaries during the year under review.

iv) Any significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future:

On 16th December, 2016 the Hon'ble High Court of Gujarat has passed order approving the Scheme of Arrangement & Amalgamation. Accordingly, DPCL has been merged into CAIL. Subsequently, in terms of the said Scheme, the name of Transferee Company i.e. Carbogen Amcis (India) Ltd. has been changed to "Dishman Carbogen Amcis Ltd." w.e.f. 27th March, 2017.

There are no other significant and material orders passed by the Regulators or Courts or Tribunals which could impact the going concern status and the Company's future operations.

DIRECTORS & KMPs

Retire by Rotation

Mr. Arpit J. Vyas, Managing Director & CFO of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Appointment

Pursuant to the Scheme of Arrangement & Amalgamation, the Directors of erstwhile DPCL shall be appointed as Directors of the Company. Accordingly, the Board of Directors of the Company at its meeting held on 17th March, 2017, change the designation of existing Directors namely Mr. Janmejy R. Vyas as Chairman & Managing Director; Mr. Arpit J. Vyas as Managing Director & CFO and Mr. Sanjay S. Majmudar as an Independent Director as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board also appointed Mrs. Deohooti J. Vyas as a whole-time director, Mr. Rajendra S. Shah, Mr. Ashok C. Gandhi, Mr. Subir Kumar Das as an Independent Directors and Mr. Mark C. Griffiths as Non-Executive Non-Independent Director of the Company with their existing terms and conditions as approved by the Board of Directors and Shareholders of erstwhile DPCL.

Directors' Report (Contd.)

Statement of Declaration by Independent Directors

The Independent Directors have submitted the Declaration of their Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub section (6).

Key Managerial Personnel

Upon Scheme became effective, Ms. Shrima Dave, Company Secretary and Mr. Arpit J. Vyas, CFO of erstwhile DPCL have been appointed as Company Secretary and CFO of the Company, respectively w.e.f. 17th March, 2017.

Board Evaluation & Criteria

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board of erstwhile DPCL has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Board of Directors expressed their satisfaction with the evaluation process.

Board diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help to retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, www.dishmangroup.com.

Policy on Director's appointment and remuneration

The Company's Policy on Directors' appointment and remuneration of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is available on the website of the Company.

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure C**

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure D**.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

The independent Directors are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarisation programmes have been disclosed on the Company's website at www.dishmangroup.com.

INDEPENDENT DIRECTORS' MEETING

A Separate meeting of Independent Directors of erstwhile DPCL held on 13th February, 2017 without the attendance of Non-Independent Directors and members of the Management. In the said meeting, Independent Directors reviewed the followings:

- Performance evaluation of Non Independent Directors and Board of Directors as a whole;
- Performance evaluation of the Chairperson of the Company taking into account the views of executive directors and nonexecutive directors;
- Evaluation of the quality of flow of information between the Management and Board for effective performance by the Board.

The Board of Directors expressed their satisfaction with the evaluation process.

Directors' Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state that :

- that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that 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 or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.
- the director have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEM

The details in respect of internal financial control system and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

INSURANCE

Assets of your Company are adequately insured against various perils. On 7th March, 2017 a fire took place at one of the units (Unit No.7) of Company's Bavla facility. The Company does not see any major financial impact due to the said incident and Company has adequate insurance for assets damage and also for loss of profit.

RISK MANAGEMENT POLICY

As per Regulation 17(9) of SEBI (LODR), 2015, the Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee has additional oversight in the area of financial risks and control.

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy pursuant to the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Policy empowers all the stakeholders to raise concerns by making protected disclosures as defined in the Policy.

The policy also provides for adequate safeguards against victimization of whistle blower who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance and the Policy is available on the website of the Company at www.dishmangroup.com.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Directors' Report (Contd.)

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

As per the provisions of the Act, M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 110240W) and M/s. Haribhakti & Co., LLP, Chartered Accountants, Mumbai, (Firm Registration No. 103523W) are proposed to be re-appointed as Joint Statutory Auditors of the Company provided that their appointment shall be from the conclusion of this 10th Annual General Meeting till the conclusion of 14th Annual General Meeting for the Financial Years 2017-18 to 2020-21, subject to ratification of the appointment by the members at every AGM held after the ensuing 10th Annual General Meeting.

As required under Section 139 of the Companies Act, 2013, the Company has received a written consent from M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 110240W) and M/s. Haribhakti & Co., LLP, Chartered Accountants, Mumbai, (Firm Registration No. 103523W) for appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made thereunder.

The Audit Committee and Board of Directors recommend the re-appointment of statutory auditors as mentioned in item no.4 of the accompanying notice of ensuing Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification or reservation.

Internal Auditors

M/s. Shah & Shah Associates, (Firm Registration No. 113742W) Chartered Accountants, Ahmedabad has been internal auditor of the Company. Internal auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor's reports and their findings on the internal audit, has been reviewed by the Audit Committee on a quarterly basis. The scope of internal audit is also reviewed and approved by the Audit Committee.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed Mr. Ashok P. Pathak, Practicing Company Secretary (Membership No. ACS: 9939; CP No: 2662), as Secretarial Auditors to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended in the **Annexure E** to the Directors' Report. The observations and comments, if any, appearing in the Secretarial Audit Report are self-explanatory and do not call for any further explanation / clarification.

Cost Audit

Central Government has notified rules for Cost Audit and as per new Companies (Cost Records and Audit) Rules, 2014 issued by Ministry of Corporate Affairs; Company is not falling under the Industries, which will subject to Cost Audit. Therefore filing of cost audit report for the FY 2017-18 is not applicable to the Company.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION ANALYSIS REPORT

The erstwhile DPCL has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Hence, before merger being an unlisted Company, requirements of Corporate Governance as per SEBI (LODR) Regulation, 2015 ("Regulation") is not applicable to the Company. Corporate Governance Report as well as "Management Discussion and Analysis" as per Regulation 34 of SEBI (LODR) Regulations, 2015 is given as a separate section in context of Company's present status and Compliance made by erstwhile DPCL under the said Regulation.

A certificate from Practicing Company Secretary regarding compliance with corporate governance norms stipulated in Regulation 34 of SEBI (LODR) Regulations, 2015 is annexed to the report on Corporate Governance.

In compliance with one of the Corporate Governance requirements as per Regulation 34 of the SEBI (LODR) Regulations, 2015, the Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed compliance thereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014, is given in the **Annexure F** and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

As per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company is required to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy. Before effective date of merger, the Company does not fall within purview of Section 135(1) of the Companies Act, 2013.

However, as per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), has to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to its Corporate Social Responsibility Policy.

The Company has constituted Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committee and contents of CSR policy is provided in the Corporate Governance Report. The details of CSR activities carried out by the erstwhile DPCL are appended in the **Annexure G** to the Director's Report. The CSR Policy is available on the website of the Company.

POLICY FOR BUSINESS RESPONSIBILITY

In pursuance of Regulation 34 of SEBI Listing Regulations, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to prepare and enclose with its Annual Report, a Business Responsibility Report describing the initiatives taken by them from an environmental, social and governance perspectives. The erstwhile DPCL falls under the said category and a separate report on Business Responsibility is annexed herewith as **Annexure H**. However, being an unlisted Company, the said regulation does not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from foreign institutions, banks, associates, Government authorities, customers, supplier, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services and teamwork by the executives, staff members and workers of the Company for enthusiastic contribution to the growth of Company's business.

By Order of the Board of Directors

Date : 16th May, 2017
Place : Ahmedabad

Janmejay R. Vyas
Chairman & Managing Director
DIN - 00004730

Directors' Report (Contd.)

ANNEXURE A

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U74900GJ2007PLC051338
2.	Registration Date	17 th July, 2007
3.	Name of the Company	Dishman Carbogen Amcis Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009, Gujarat Contact No. : +91 (0) 79 26443053 / 26445807 Fax : +91 (0) 79 26420198
6.	Whether listed company Yes / No	No, Unlisted Company.
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd. 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road , Ellisebridge, Ahmedabad - 380 006 Tel. No. 91-79-2646 5187, Fax No.: 91-79-2646 5179, Email: ahmedabad@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:-

Sr. No.	Name and Description of main Products / Services	NIC Code Of The Product/ Service	% to total turnover of the Company
1	Bulk Drugs & API	21001	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Bhadra Raj Holdings Pvt. Ltd. Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380 009.	U17119GJ1984PTC007507	Holding	61.40%	2(46)
2	Dishman Europe Ltd. Suite 4 De Walden Court, 85 New Cavendish Street, London, W1W 6XD United Kingdom	N.A.	Subsidiary	100%	2(87)
3	Dishman USA. Inc. 476, Union Avenue, Second Floor, Middlesex, NJ 08846	N.A.	Subsidiary	100%	2(87)
4	CARBOGEN AMCIS (Shanghai) Co., Ltd. No. 69 Shungong Road, Shanghai Chemical Industry Park, Shanghai 201507, China	N.A.	Subsidiary	100%	2(87)
5	Dishman Switzerland Ltd. Les Vernets 2, CH-2035 Corcelles, Switzerland	N.A.	Subsidiary	100%	2(87)

Directors' Report (Contd.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
6	Carbogen Amcis Holding AG (formerly known as Dishman Pharma Solutions AG) Hauptstrasse 171, CH-4416 Bubendorf, Switzerland	N.A.	Subsidiary	100%	2(87)
7	Dishman International Trading (Shanghai) Co., Ltd. Room 6003, Level 6, 333 Fute West First Road, Free Trade Zone District, Shanghai 200131, China	N.A.	Subsidiary	100%	2(87)
8	CARBOGEN AMCIS AG Hauptstrasse 171 CH-4416 Bubendorf, Switzerland	N.A.	Subsidiary	100%	2(87)
9	CARBOGEN AMCIS Ltd. 303 Clayton Lane, Clayton, Manchester, M11 4SX UK	N.A.	Subsidiary	100%	2(87)
10	Innovative Ozone Services Inc. (IO3S) Les Vernets 2, CH-2035 Corcelles, Switzerland	N.A.	Subsidiary	100%	2(87)
11	Dishman Netherlands B. V. Nieuweweg 2A, 3901BE, Veenendaal, The Netherlands	N.A.	Subsidiary	100%	2(87)
12	Dishman Japan Ltd. Tokyo Club Bldg. 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo 100-0013, Japan	N.A.	Subsidiary	100%	2(87)
13	Dishman Australasia Pty. Ltd. Unit 1012 3, Herbert Street, ST LEONARDS, NSW 2065	N.A.	Subsidiary	100%	2(87)
14	Dishman Middle East (FZE) P.O.Box No. 122685, Sharjah - U.A.E.	N.A.	Subsidiary	100%	2(87)
15	CARBOGEN AMCIS SAS, France 10 Rue des Boules, F-63200 Riom France	N.A.	Subsidiary	100%	2(87)
16	Shanghai Yiqian International Trade Co., Ltd. Room 1101, Building 3, 215 Lianhe Road, Fengxian District, Shanghai 201417, China	N.A.	Subsidiary	100%	2(87)
17	Dishman Carbogen Amcis (Singapore) Pte. Ltd. 600 North Bridge Road, #05-01, Parkview Square, Singapore 188778	N.A.	Subsidiary	100%	2(87)

Note: Scheme of Arrangement and Amalgamation amongst **Dishman Pharmaceuticals and Chemicals Ltd.** ("DPCL"), **Carbogen Amcis (India) Limited** ("CAIL") and **Dishman Care Limited** ("DCL") has become effective from the date of filing of certified copy of the order of Hon'ble High Court of Gujarat dated 16th December, 2016 with the Office of Registrar of Companies, Gujarat i.e. w.e.f. 17th March, 2017. Accordingly, DPCL has been merged into CAIL. Subsequently, in terms of the said Scheme, the name of Transferee Company i.e. Carbogen Amcis (India) Ltd. has been changed to "**Dishman Carbogen Amcis Ltd.**" w.e.f. 27th March, 2017.

#Change in no. of shares due to Scheme of Merger. As per the Clause 14 of Chapter - 4 of Approved Scheme of Merger, upon coming into effect of the scheme, the present paid up share capital of the company of Rs.5,00,000 consisting 2,50,000 equity shares of Rs.2/- get cancelled. The Company is in process of fixing Record Date for allotment of 161394272 equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger and thereafter the new equity shares to be allotted to the DPCL's shareholders.

Directors' Report (Contd.)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year* #				No. of Shares held at the end of the year #				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	0	249500	249500	99.80%	0	0	0	0.00%	0.00%
b. Central Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. State Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Bodies Corporates	0	500	500	0.20%	0	0	0	0.00%	0.00%
e. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Any Other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (A)(1)	0	250000	250000	100.00%	0	0	0	0.00%	0.00%
2. Foreign									
a. NRI-Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b. Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. Body Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A)(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Shareholder of Promoter (A)=(A)(1)+(A)(2)	0	250000	250000	100.00%	0	0	0	0.00%	0.00%
B. Public Shareholding									
1. Institution									
a. Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. Central Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. State Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g. Foreign Institutional Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
h. Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
i. Others (Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (B)(1)	0	0	0	0.00%	0	0	0	0.00%	0.00%
2. Non - Institution									
a. Body Corporates	0	0	0	0.00%	0	0	0	0.00%	0.00%
b. Individual									
i. Individual Shareholders holding nominal share capital upto Rs.1 Lakh	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii. Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. Others (Specify)					0	0	0	0.00%	
i) NRI (Rep.)	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) NRI (Non-Rep.)	0	0	0	0.00%	0	0	0	0.00%	0.00%
iii) Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
iv) OCB	0	0	0	0.00%	0	0	0	0.00%	0.00%
v) Trust	0	0	0	0.00%	0	0	0	0.00%	0.00%
vi) In Transit	0	0	0	0.00%	0	0	0	0.00%	0.00%
vii) Independent Directors & Relatives and their holding	0	0	0	0.00%	0	0	0	0.00%	0.00%
viii) HUF	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (B)(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00%
Public	0	0	0	0	0	0	0	0	0.00%
Net Total	0	0	0	0	0	0	0	0	0.00%
Grand Total (A + B + C)	0	250000	250000	100.00%	0	0	0	0.00%	0.00%

*Before Merger, the Company was a wholly owned subsidiary of Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) (beneficial owner), and therefore members other than DPCL, do not hold the beneficial interest in the equity shares of the Company.

Directors' Report (Contd.)

(ii) Shareholding of Promoter/Promoter Group

Sr No.	Shareholder's Name	Shareholding at the beginning of the year#			Shareholding at the end of the year#			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Janmejy R. Vyas	2,47,000*	98.80%	0.00%	0	0.00%	0.00%	0.00%
2	Arpit J. Vyas	500*	0.20%	0.00%	0	0.00%	0.00%	0.00%
3	Aditi J. Vyas	500*	0.20%	0.00%	0	0.00%	0.00%	0.00%
4	Deohooti J. Vyas	500*	0.20%	0.00%	0	0.00%	0.00%	0.00%
5	Dishman Pharmaceuticals and Chemicals Ltd.	500	0.20%	0.00%	0	0.00%	0.00%	0.00%
6	Sanjay S. Majmudar	500*	0.20%	0.00%	0	0.00%	0.00%	0.00%
7	Deepak S. Pandya	500*	0.20%	0.00%	0	0.00%	0.00%	0.00%
Total		2,50,000	100.00%	0.00%	0	0.00%	0.00%	0.00%

* Before Merger, they were ostensible owner; beneficial owner was Dishman Pharmaceuticals and Chemicals Ltd.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name	Shareholding at the beginning of the year#		Cumulative Shareholding during the year#	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
• At the beginning of the year	2,50,000	100.00%		
• Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	There is no change in Promoters' Shareholding between 01.04.2016 to 31.03.2017			
• At the end of the year			0	0.00%

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016		Cumulative Shareholding end of the year 31-03-2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		NIL			

Directors' Report (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1st April, 2016#		Shareholding at the end of the year 31st March, 2017#	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Janmejy R. Vyas*	49,400	98.80%	0	0.00%
2	Arpit J. Vyas*	100	0.20%	0	0.00%
3	Sanjay S. Majmudar*	100	0.20%	0	0.00%
4	Deohooti J. Vyas\$	0	0.00%	0	0.00%
5	Ashok C. Gandhi\$	0	0.00%	0	0.00%
6	Subir Kumar Das\$	0	0.00%	0	0.00%
7	Rajendra S. Shah\$	0	0.00%	0	0.00%
8	Mark Griffiths\$	0	0.00%	0	0.00%
9	Shrima Dave**\$	0	0.00%	0	0.00%

*Before Merger, they were ostensible owner; beneficial owner was Dishman Pharmaceuticals and Chemicals Ltd.

**Appointed as Company Secretary w.e.f. 24/08/2016 in erstwhile DPCL.

\$ Appointed in the Company w.e.f. 17/03/2017 upon becoming Scheme of Merger effective.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In Crores)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the Beginning of the financial year-01.04.2016**	-	8.98	-	8.98
Addition on account of Merger				
1) Principal Amount @	568.85	61.03	-	629.87
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	568.85	61.03	-	629.87
Change in Indebtedness during the financial year				
+ Addition	199.56	-	-	199.56
- Reduction	360.65	14.85	-	375.50
- Reduction #	9.00			9.00
Net change	(170.10)	(14.85)	-	(184.94)
Indebtedness at the end of the financial year-31.03.2017				
1) Principal Amount	398.75	46.18*	-	444.93
2) Interest due but not paid				-
3) Interest accrued but not due	0.20			0.20
Total of (1+2+3)	398.95	46.18	-	445.13

** Opening Balance of Unsecured Loan is the amount given as by erstwhile Dishman Pharmaceuticals and Chemicals Ltd (DPCL) to the Company.

@ On account of merger, loans of erstwhile DPCL have been added to the indebtedness of the Company

Reduction is on account of Foreign Exchange Fluctuation

* During the year Company has paid off Rs.1.72 crores from the opening Balance and remaining Balance has been knocked off at the end of the year on account of merger of both the companies.

Directors' Report (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel

\$ Before effective date of merger, the Company does not fall within purview of appointing KMP and Independent Directors on its Board. However, erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) has three whole time Directors on its Board, who are eligible to draw remuneration as per the Board and Shareholder's approval. As per the approved Scheme upon coming into effect, the Directors of the DPCL have been appointed as Directors of the Company with their existing terms and conditions.

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager\$			Total Amount (₹ In Lacs)
		Mr. Janmejaya R. Vyas (Chairman & Managing Director)	Mr. Arpit J. Vyas (Managing Director & CFO)	Mrs. Deohooti J. Vyas (Whole-time Director)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	180.00	180.00	360.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- As % of Profit	453.96	-	-	453.96
	- Others, specify	-	-	-	-
5	Others, please specify Provident Fund & other Funds	-	-	-	-
	Performance Bonus	-	-	-	-
	Total (A)	453.96	180.00	180.00	813.96
	Ceiling as per the Act	10% of the net profits of the Company			

B. Remuneration of other directors:

I. Independent Directors :-

Particulars of Remuneration	Name of Directors\$				Total Amount (₹ In Lacs)
	Mr. Sanjay S. Majmudar	Mr. Ashok C. Gandhi	Mr. Subir Kumar Das	Mr. Rajendra S. Shah	
Fee for attending board committee meetings	3.40	3.20	2.40	1.20	10.20
Commission	11.50	9.50	9.00	7.00	37.00
Others, specify	-	-	-	-	-
Total (1)	14.90	12.70	11.40	8.20	47.20

II. Other Non-Executive Directors\$:-

Particulars of Remuneration	Name of Directors	Total Amount (₹In Lacs)
	Mr. Mark C. Griffiths	
Fee for attending board committee meetings	0	0
Commission	0	0
Others	0	0
Total (2)	0	0
Ceiling as per the Act	11% of the net profits of the Company	

Directors' Report (Contd.)

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

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount (₹ In Lacs)
		Ms. Shrima Dave* (Company Secretary)		
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2.39		2.39
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-		-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission- As % of Profit	-		-
	- Others, specify	-		-
5	Others, please specifyContribution to Provident Fund	0.13		0.13
	Total (C)	2.52		2.52

*Appointed as Company Secretary in erstwhile DPCL w.e.f. 24/08/2017 and in the Company w.e.f. 17/03/2017 (upon becoming Scheme of Merger effective).

VII. VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES®

Type	Section of Companies Act	Brief description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	Section 209(3), 211(3A) & (3B) and 211 r.w. Sch. VI of Companies Act, 1956. (corresponding Section 129 of the Companies Act, 2013).	In respect of erstwhile DPCL, Eight Show cause notices received from ROC for violation under Section 209(3), 211(3A) & (3B) and 211 r.w. Sch. VI of Companies Act, 1956 (corresponding Section 129 of the Companies Act, 2013) in respect of financial years ended on 31.03.2013; 31.03.2014 & 31.03.2015.	Rs.1,000/- for each violation to each of the whole-time Directors (Three Directors) for respective Sections. All the offences are compounded on payment of compounding fees paid by the Whole-time Directors/ Applicants vide order dated 12/01/2017 of NCLT, Ahmedabad Bench.	NCLT, Ahmedabad Bench	NA

Directors' Report (Contd.)

Type	Section of Companies Act	Brief description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any give details
	Section 217 of the Companies Act, 1956.	In respect of erstwhile DPCL, one Show cause notice received from ROC for violation of Section 217 of the Companies Act, 1956 in respect of financial year ended on 31.03.2014.	Rs.2,000/- to each of the whole-time Directors (Three Directors). All the offences are compounded on payment of compounding fees paid by the Whole-time Directors/ Applicants vide order dated 12/01/2017 of NCLT, Ahmedabad Bench.	NCLT, Ahmedabad Bench	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	Section 209(3), 211(3A) & (3B) and 211 r.w. Sch. VI of Companies Act, 1956. (corresponding Section 129 of the Companies Act, 2013).	In respect of erstwhile DPCL, Eight Show cause notices received from ROC for violation under Section 209(3), 211(3A) & (3B) and 211 r.w. Sch. VI of Companies Act, 1956 (corresponding Section 129 of the Companies Act, 2013) in respect of financial years ended on 31.03.2013; 31.03.2014 & 31.03.2015.	Rs.1,000/- for each violation to each of the officer in default (Two officers) for respective Sections. All the offences are compounded on payment of compounding fees paid by the Officers in default/ Applicants vide order dated 12/01/2017 of NCLT, Ahmedabad Bench.	NCLT Ahmedabad Bench	NA
	Section 217 of the Companies Act, 1956.	In respect of erstwhile DPCL, one Show cause notice received from ROC for violation of Section 217 of the Companies Act, 1956 in respect of financial year ended on 31.03.2014.	Rs.2,000/- to each of the officer in default (Two Officers). All the offences are compounded on payment of compounding fees paid by the Officers in default/ Applicants vide order dated 12/01/2017 of NCLT, Ahmedabad Bench.	NCLT Ahmedabad Bench	NA
@ There is no penalties, punishment or compounding of offences imposed to the Company. However, details of compounding of offences are related to erstwhile DPCL.					

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable								
2. Details of material contracts or arrangement or transactions at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting u/s 188(1)	Amount involved during the year (Rs. in Crores)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Dishman Europe Ltd. (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines	As per Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, all transaction are being placed before the Audit Committee and Board on quarterly basis and at regular intervals	Advance paid have been adjusted against billings/ invoice/debit note, etc. wherever applicable	As the transactions were with wholly owned subsidiary companies are being exempt under Companies Act, 2013 and Listing Agreement and SEBI (LODR) Regulations, 2015, therefore no approval of shareholder is required. However, Regulation 23 of SEBI (LODR) Regulations, 2015, material contracts or arrangements above 10% of the Turnover, if any, are being shown as material transactions at arm length prices.	197.06
2.	CARBOGEN AMCI'S AG (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines		Advance paid have been adjusted against billings/ invoice/debit note, etc. wherever applicable		41.49
3.	Dishman USA Inc (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines		Advance paid have been adjusted against billings/ invoice/debit note, etc. wherever applicable		70.88

Directors' Report (Contd.)

ANNEXURE C

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Being an unlisted Company, the Company does not fall within purview of Section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details given here under is pertaining to remuneration paid by erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL).

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-17, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2016-17 are as under:

Sr. No.	Name & Designation	Ratio of Remuneration of Director to Medians Remuneration of employees	% increase in Remuneration In FY 2016-17 (\$)
		(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
Executive Directors			
1.	Mr. Janmejay R. Vyas, Chairman & Managing Director	146.05:1	-16.81%
2.	Mr. Arpit J. Vyas, Managing Director & CFO	57.91 : 1	3.45%
3.	Mrs. Deohooti J. Vyas, Whole-time Director	57.91 : 1	2.86%
Non-executive Director & Independent Directors			
4.	Mr. Sanjay S. Majmudar, Independent Director	3.70:1	20.16%
5.	Mr. Ashok C. Gandhi, Independent Director	3.06:1	13.39%
6.	Mr. Mark C. Griffiths, Non-Executive Director & Global CEO	-	-
7.	Mr. Subir Kumar Das, Independent Director	2.90:1	21.28%
8.	Mr. Rajendra S. Shah, Independent Director	2.25:1	57.69%
Key Managerial Personnel			
9.	Ms. Shrima Dave, Company Secretary# (Appointed w.e.f. 24/08/2016)	1.21:1	#

Ms. Shrima Dave has appointed as Company Secretary w.e.f. 24th August, 2016. She was not Company Secretary in FY 2015-16.

\$ Percentage decrease reflects reduction in remuneration of one of the KMP whose remuneration is link to the net profit of the Company computed under section 198 of the Companies Act, 2013.

- Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2016-17 decreased by 0.25%. The calculation of % decrease in Median Remuneration is done based on permanent employees. Also, the unionized employee's/Contract labour whose remuneration is based on periodic settlements has been excluded for this purpose.
- Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2017 was 845.
- Sub-clause (viii) of Rule 5(1): The average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2016-17 was 17.55% (excluding rewards in cash or kinds), whereas the total managerial remuneration (excluding independent Directors) for the same financial year has decreased by 9.02%. Increase/decrease in salary of employees other than managerial personnel is decided based on criteria like Company's policy and Performance, Individual Performance, inflation, prevailing industry trends, while managerial remuneration is mostly linked to the Company's net profit calculated as per the provisions of Section 198 of the Companies Act, 2013.
- Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

Directors' Report (Contd.)

ANNEXURE D

Statement of particulars of employees pursuant to provisions of 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of top ten employees in terms of remuneration drawn per annum

Sr. No.	Name of the Employee
1	Mr. Janmejy R. Vyas
2	Mrs. Deohooti J. Vyas
3	Mr. Arpit J. Vyas
4	Mr. Harshil R. Dalal
5	Ms. Mansi J. Vyas
6	Ms. Aditi J. Vyas
7	Dr. Himani S. Dhotre
8	Mr. Anand C. Joshi
9	Mr. Jayesh A Shah
10	Mr. Saleem Raza Shaikh

Sr. No.	Name of the Employee	Age (Years)	Designation/ Nature of Duty	Qualification	Experience (Years)	Gross Remuneration received (₹)	Date of Joining*	Last Employment & Position held
A) Personnel who are in receipt of Remuneration aggregating not less than ₹ 1,02,00,000 per annum and employed through out the year:								
1.	Mr. Janmejy R. Vyas	66	Chairman & Managing Director	B.Sc. (Chemistry) B.Sc. (Tech.)	43	4,53,96,039	17/07/2007	Consultant to various Pharmaceutical Co's during 1974 to 1983
2.	Mrs. Deohooti J. Vyas	66	Whole-time Director	B.Sc. (Chemistry)	33	1,80,00,000	17/03/2017	B. R. Laboratories, Proprietress
3.	Mr. Arpit J. Vyas	31	Managing Director & CFO	Chemical Engineer from University of Aston	10	1,80,00,000	07/04/2012	Has been associated with Azafran Innovacion Ltd., in which he holds Directorship and handling Marketing division of the Company.

B) Personnel who are in receipt of Remuneration aggregating not less than Rs.8,50,000 per month and employed for part of the year :

NIL

** Pursuant to the Scheme of Arrangement & Amalgamation, all three whole-time directors of erstwhile DPCL have been appointed in the Company by the Board of Directors of the Company at its meeting held on 17th March, 2017 with their existing terms and conditions as approved by the Board of Directors and Shareholders of erstwhile DPCL.

Notes:

- The above Gross remuneration includes salary, allowances, company's contribution to provident fund and superannuation.
- In addition to the above remuneration, employees are entitled to gratuity and leave encashment in accordance with the Company's rules.
- The nature of employment in all cases is contractual.
- Mr. J. R. Vyas, Mrs. D. J. Vyas and Mr Arpit J. Vyas mentioned at Sr. No. 1, 2 and 3 holds 1000 (0.0006%), 1000 (0.0006%) and 1000 (0.0006%) equity shares of Rs.2/- each of erstwhile Dishman Pharmaceuticals and Chemicals Ltd., respectively.
- The above employees mentioned at Sr. No. 1, 2, and 3 viz. Mr. J. R. Vyas, Mrs. D. J. Vyas and Mr. Arpit J. Vyas, who are Directors and relatives of each other.

Directors' Report (Contd.)

ANNEXURE E

FORM NO. MR.3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dishman Carbogen Amcis Limited
[Formerly known as Carbogen Amcis (India) Limited and after
merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited]
Bhadra-Raj Chambers, Swastik Cross Roads,
Navrangpura, Ahmedabad – 380 009.

The erstwhile Dishman Pharmaceuticals and Chemicals Limited has been merged into Dishman Carbogen Amcis Limited w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") and Dishman Carbogen Amcis 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 books, papers, minute books, forms and returns filed and other records maintained by DPCL and the company and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, DPCL and the company has, during the audit period covering **the financial year ended on 31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses / regulations of the following

- (i) Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Report (Contd.)

We hereby report that during the period under review, DPCL and the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that during the period under review The National Company Law Tribunal, Ahmedabad Bench (NCLT) has compounded the offences on averments made by the Registrar of Companies, Gujarat against Key Managerial Personnel of DPCL under section 209(3), 211(3A) and (3B), 211 read with Schedule VI (corresponding section 129 of the Companies Act, 2013) and 217 of the Companies Act, 1956 for the financial years ended on 31.03.2013, 31.03.2014 and 31.03.2015 vide its Orders dated 12.01.2017 on payment of composition fees.

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. Pursuant to the Scheme of Arrangement & Amalgamation, the Directors of erstwhile DPCL was appointed as Directors of the Company. The Board of Directors of the Company at its meeting held on 17th March, 2017, change the designation of existing Directors.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent at least seven days in advance, and a system exists for directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

Based on the compliance mechanism established by DPCL and on the basis of the Compliance Certificate(s) issued by the Respective Plant Heads / Department Heads and take on record by the Board of Directors at their meeting(s), we are of the opinion that the management has :

- a. Adequate systems and processes commensurate with its size and operation, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b. Identified and complied with following laws applicable to DPCL and the company :
 - i. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
 - ii. The Patents Act, 1970
 - iii. The Trade Marks Act, 1999
 - iv. Indian Boilers Act, 1923

We further report that during the period under review

- a. The Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), Carbogen Amcis (India) Limited (CAIL) and Dishman Care Limited (DCL) has become effective from the date of filing of certified copy of the order of Hon'ble High Court of Gujarat dated 16th December, 2016 with the Office of Registrar of Companies, Gujarat i.e. w.e.f. 17th March, 2017. Accordingly, DPCL has been merged into CAIL. Subsequently, in terms of the said Scheme, the name of Transferee Company i.e. Carbogen Amcis (India) Ltd. has been changed to "Dishman Carbogen Amcis Ltd." w.e.f. 27th March, 2017.
- b. As on 31.03.2017 the company was in process of fixing the record date for allotment of Equity Shares of the company to the shareholders of DPCL in the ratio 1:1 i.e. Share Exchange Ratio, fixed under the scheme and therefore till such time the shares being issued to the shareholders the said amount including premium is shown in Share Suspense Account.
- c. DPCL has redeemed 30% of Non Convertible Debenture issued in February, 2010 on 18th February, 2017 by way of payment of Rs.24.83 Crore towards principal and interest. There is no outstanding Non Convertible Debentures as on 31st March, 2017.
- d. DPCL has issued and allotted 80697136 Bonus Equity Shares in the ratio of 1 (one) equity share for every 1 (one) equity share having distinctive No. 80697137 to 161394272 on 05th May, 2016, pursuant to the special resolution passed by means of Postal Ballot on 21st April, 2016 in accordance with Section 63 read with Rule 14 of the Companies (Share Capital and Debenture) Rules, 2014 vide Postal Ballot Notice dated 10th March, 2016.

Place : Ahmedabad
Date : 16/05/2017

For, Ashok P. Pathak & Co.
Company Secretaries
UCN : S1997GJ020700

Ashok P. Pathak
ACS No. 9939
C P No.: 2662

Note: This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

Directors' Report (Contd.)

ANNEXURE- I TO SECRETARIAL AUDIT REPORT

To,

The Members

Dishman Carbogen Amcis Limited

[Formerly known as Carbogen Amcis (India) Limited and
after merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited]

Bhadra-Raj Chambers, Swastik Cross Roads,
Navrangpura, Ahmedabad - 380 009.

Our report of 16h May, 2017 is to be read along with this letter

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

Place : Ahmedabad

Date : 16/05/2017

For, Ashok P. Pathak & Co.

Company Secretaries

UCN : S1997GJ020700

Ashok P. Pathak

ACS No. 9939

C P No.: 2662

Directors' Report (Contd.)

ANNEXURE F

A. CONSERVATION OF ENERGY

• MEASURES TAKEN & INVESTMENT MADE FOR REDUCTION OF CONSUMPTION OF ENERGY AND CONSEQUENTIAL IMPACT ON COST OF PRODUCTION

The Company has taken all the necessary measures from the beginning for energy conservation as part of maintaining the operating cost to the minimum.

Your Company has become a trading and self clearing member of Power Exchange of India Limited (PXIL) from 2nd April, 2012 and appointed Manikran Power Ltd., to do daily power trading bid on behalf of the Company. The Power Trading initiative taken by your Company helped in energy conservation and minimize the cost of production.

During the year, due to power trading initiative taken by the Company, Company has got benefit of ₹ 211.16 lacs without any capital investment.

• DETAILS OF TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

a) POWER AND FUEL CONSUMPTION	2016-17	2015-16
1. ELECTRICITY		
a. Purchased		
Unit [KWH]	26871210	26924543
Total Amount [₹]	209573935	217834094
Rate/ Unit [₹]	7.80	8.09
b. Own Generation [through D.G. Unit]		
Unit [KWH]	130050	171920
Unit Per ltr. of Diesel oil [KWH]	3.16	2.94
Cost/Unit [₹]	18.76	17.41
2. DOC		
Quantity [MT]	10743.89	12190.44
Total Amount [₹]	55868228	77692030.94
Average rate [₹/MT]	5200	6373.1
3. FUEL [LDO+FO+HSD]		
FO		
Quantity (LTRs.)	352368	123464
Total amount (₹)	10789508.16	3539712.88
Average rate (₹/ LTR.)	30.62	28.67
(LDO+ HSD)		
Quantity (LTRs.)	41073	58470
Total amount (₹)	2440327	2993356
Average rate (₹/ LTR.)	59.41	51.19
4. CNG GAS		
Quantity (KG.)	38399	46392
Total cost (₹)	1801596	2681546
Average rate/kg.	46.91	57.8
5. Briquette		
Quantity [MT]	1246	1122.215
Total Amount [₹]	6508090	6105066
Average rate [₹/MT]	5223	5440

- b) **CONSUMPTION PER UNIT OF PRODUCTION:** Since the Company manufactures several bulk drugs, bulk drug intermediates and specialty chemicals, it is not practical to apportion consumption of utilities per unit of production.

Directors' Report (Contd.)

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption - Research & Development (R & D)

• SPECIFIC AREAS IN WHICH R&D CARRIED OUT AND BENEFITS DERIVED:

The Company has fully equipped R & D facilities with sophisticated instruments and is constantly engaged in developing and updating manufacturing processes of the existing products leading to reduction in process time and cost of production and also in developing new products.

Based on the R & D activities carried out for the client, if the molecule is commercialized, it can be converted into contract manufacturing during the entire life cycle of the drug.

• FUTURE PLAN OF ACTION

Your Company has created a state-of-the-art R & D center and cGMP pilot facility at Bavla plant. The Company has been investing aggressively in its R & D activities to the level of 3.97% of its turnover over and above CRAMS R & D expenditure and continues augmenting R & D capabilities & productivity through technological innovations, use of modern scientific and technological techniques, training and development.

EXPENDITURE ON R & D		(₹ in Crores)
Capital		12.65
Recurring		5.29
Total		17.94
Total R & D Expenditure as a percentage of Total Turnover		3.97%

• TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

We successfully scaled up processes using enzyme catalyzed conversion. These processes were water based reactions which are environment friendly.

Dishman added an ultrafiltration equipment in one of its commercial plant which allows Dishman to undertake projects with special requirement of membrane filtration. One large filter dryer with special facilities was on site for specific drying requirements of certain products.

We have also optimized our current processes in order to make them more energy efficient and also reduce the effluent load.

We are currently working on various other options for our existing products as well as new ones.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS & SERVICES & EXPORT PLANS

The Exports of the Company has decreased to ₹380.94 Crores during the year from ₹ 458.74 Crores during the previous year. The export sales constitute 93.15% of the total net sales of the Company during financial year 2016-2017. The Company is exporting mainly to USA, UK, Germany, Netherland and Japan. Your Company is making aggressive efforts to increase exports and develop new export markets.

FOREIGN EXCHANGE EARNING AND OUTGO		(₹ in Crores)
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Total Foreign exchange expenditures	11.58	10.05
Total Foreign exchange earnings	405.34	495.15

Corporate Social Responsibilities (CSR) Report

As per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company is required to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy. Before effective date of merger, the Company does not fall within purview of Section 135(1) of the Companies Act, 2013.

However, as per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), has to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy. Details of the same is as under:

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

DPCL has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been approved by its Board at the meeting held on 28th May, 2014.

Overview:

Outline of CSR Policy - DPCL has always been committed to the cause of social service and have repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally.

As an integral part of our commitment to Good Corporate Citizenship, DISHMAN believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around DPCL business operations. Towards achieving long-term stakeholder value creation, DPCL shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; and the society at large.

In order to leverage the demographic dividend of our country, erstwhile DPCL's CSR efforts shall focus on Health, Education, Environment and Employability interventions for relevant target groups, ensuring diversity and giving, preference to needy and deserving. CSR at Dishman shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of DPCL's CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

(ii) CSR Projects:

1. Community healthcare, sanitation and hygiene, including, but not limited to:

- (1) Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc.
- (2) Providing financial assistance to deserving people for specialized medical treatment in any medical institution.
- (3) Establishment and management of state-of-the-art healthcare infrastructure with high level of excellence.
- (4) Activities concerning or promoting:
 - a. General health care including preventive health care
 - b. Safe motherhood
 - c. Child survival support programs
 - d. Health / medical camps
 - e. Better hygiene and sanitation
 - f. Adequate and potable water supply, etc.

Directors' Report (Contd.)

		2 Education and knowledge enhancement, including, but not limited to: (1) Establishment and management of educational and knowledge enhancement infrastructure. (2) Providing financial and/or other assistance to the needy and/or deserving students. (3) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports. (4) Facilitate enhancement of knowledge and innovation in the educational Agencies. (5) Contribution to technology incubators located within academic institutions which are approved by the Central Government. 3 Social care and concern, including, but not limited to: (1) Creating Public awareness (2) Protection and upgradation of environment including ensuring ecological balance and related activities. (3) Rural development projects (4) Others: a. Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. b. Providing assistance to institutes of credibility involved in areas of social care, including: • Preservation of heritage • Animal welfare, social welfare and related matters • Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. c. Other humanitarian activities.
2	The Composition of the CSR Committee	1. Mr. Janmejy R. Vyas (Chairman – Managing Director) 2. Mr. Arpit J. Vyas (Managing Director & CFO) 3. Mr. Sanjay S. Majmudar (Independent Director)
3	Average net profit of the company for last three financial years	Rs. 90.77 Cr
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs.1.81 Cr
5	Details of CSR spent during the financial year.	
	(1) Total amount to be spent for the F.Y.	Rs.1.82 cr.
	(2) Amount unspent , if any;	NIL
	(3) Manner in which the amount spent during the financial year :	The manner in which the amount is spent is detailed in the Annexure I.
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board report	Not Applicable
7	A responsibility statement of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company	Yes, The CSR Committee of DPCL's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy.

Directors' Report (Contd.)

The Board of Directors of erstwhile DPCL at their meeting held on 28th May, 2014 also approved the CSR Policy. Brief outline of the Policy is as under:

While DPCL is eligible to undertake any suitable / rightful activity as specified in Schedule VII of the Companies Act, 2013, however, at present, it proposes to undertake its Projects (Direct / through implementing agency) on priority basis in its Thrust Areas. DPCL, in every financial year shall endeavor to spend the feasible amount for its CSR Projects and shall not be restricted by the statutory limit, the minimum spend being 2% of the DPCL's average Net Profits for three immediately preceding financial years. The Policy provides for identification of the CSR Projects and approval by the CSR Committee, with estimated expenditure and phase wise implementation schedules in the form of CSR Plan.

The total expenditure in the CSR Annual Plan shall be approved by the DPCL's Board upon recommendation by the CSR Committee. The CSR Projects may be implemented as under:

1. Direct Method whereby DPCL may implement the CSR Projects on its own or through its Trust / Society / Section 8 Company or Group Company Trust / Society / Section 8 Company and
2. Indirect Method whereby DPCL may implement the CSR Projects through an external Trust / Society / registered NGO/ Section 8 Company fulfilling the criteria under the Act.

The Policy also provides for monitoring of the CSR Projects at regular intervals.

The CSR Policy of DPCL further lists the duties and responsibilities of the Board, the CSR Committee; details about allocation of funds for CSR activities; and the review periodicity / amendment of the CSR Policy and CSR Plan.

The CSR Policy of DPCL can be accessed at - www.dishmangroup.com

(URL: www.dishmangroup.com/investorrelations/policies/csr-policy.pdf)

Annexure I

CSR ACTIVITIES AT DISHMAN

(in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Welfare of the Mentally Challenged	Changodar, Gujarat	Social and Child Care survival & support	75,00,000	75,00,000	75,00,000	Through Aastha Charitable Trust
2.	Free medical aid to the suffering and poor people	Udaipur, Rajasthan	Healthcare	50,00,000	50,00,000	50,00,000	Through Sri Satya Sai Heart Hospital run by Prashant Medical Services and Research Foundation
3.	Sanitation and restructuring and refurbishing all basic facilities in 15 municipal schools under "Fellowship and True Hero & Evolution Project"	Various area of Ahmedabad District, Gujarat	Education, Healthcare & Sanitation	57,00,000	57,00,000	57,00,000	Through YUVA Unstoppable (NGO)
Total				1,82,00,000	1,82,00,000	1,82,00,000	

Note: The details of CSR activities/ projects are also described on Page Nos. 34 to 37 of this Annual Report.

In terms of Section 134(1)(o) of the Companies Act, 2013, The CSR Committee of DPCL confirms that the implementation and governance of CSR Programs are as per the DPCL's CSR policy.

Directors' Report (Contd.)

Annexure H

BUSINESS RESPONSIBILITY (BR) REPORT FOR THE FINANCIAL YEAR 2016-17

As per Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to give Business Responsibility Report as part of its Annual Report.

The erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Hence, before merger being an unlisted Company, requirements of Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015 is not applicable to the Company. BR Report hereunder given in context of Company's present status and Compliance made by erstwhile DPCL under the said Regulation.

Section A: General Information about the Company

- | | |
|---|---|
| 1. Corporate Identity Number (CIN) | U74900GJ2007PLC051338 |
| 2. Name of the Company | Dishman Carbogen Amcis Ltd. (After merger of Dishman Pharmaceuticals and Chemicals Limited into and with the Company). |
| 3. Registered Address | Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009, Gujarat |
| 4. Website | www.dishmangroup.com |
| 5. E-mail id | grievance@dishmangroup.com |
| 6. Financial Year reported | 01.04.2016 to 31.03.2017 |
| 7. Sector(s) that the Company is engaged in (industrial activity code wise) | Pharma Sector under Group 210, Class 2100 and sub-Class 21001 as per the National Industrial Classification 2008 |
| 8. List three key product/services that the Company manufactures/provides (as in balance sheet) | 1. EPROSARTAN MESYLATE
2. BENZETHONIUM CHLORIDE USP
3. Brinzolamide Intermediate II |
| 9. Total number of locations where business activity is undertaken by the Company:
a) No. of International Locations
b) No. of National Locations | The Company's business and operations are spread across different geographies. The Company do its business throughout the globe through its Indian offices / plants and sixteen subsidiaries and details whereof are provided in this Annual Report under head "Company Information" and "Global Presence". |
| 10. Markets served by the Company (Local/State/National/International) | In addition to serving Indian markets, Company served across USA, Europe & rest of the world. |

Section B: Financial Details of the Company

- | | |
|---|---|
| 1. Paid up capital (INR) | Rs.32.28 Crores (after proposed allotment pursuant to Scheme of Merger) |
| 2. Total turnover (INR) | Rs.516.74 Crores |
| 3. Total Profit after taxes (INR) | Rs.24.24 Crores |
| 4. Total Spending on CSR as percentage of profit After tax (%) | 2.00% |
| 5. List of activities in which expenditure in 4 above has been incurred | The Company has undertaken following CSR Projects/Activities:
a) Welfare of the Mentally Challenged
b) Free medical aid to the suffering and poor people
c) Sanitation and restructuring and refurbishing all basic facilities in 15 municipal schools under "Fellowship and True Hero & Evolution Project"
For detailed Report on expenditure incurred towards CSR activities during the financial year 2016-17, pl. refer Annexure G of the Board's Report. |

Directors' Report (Contd.)

Section C: Other Details

- | | | |
|---|--|---|
| 1 | Does the Company have any Subsidiary Company / Companies? | Yes. The Company has 16 subsidiaries. |
| 2 | Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)? | Business Responsibility initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries. |
| 3 | Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%] | The Company's contractors and suppliers do participate in the BR initiatives of the Company in terms of compliance with "Supplier Code of Conduct" and "Safety Policy". |

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Directors Identification Number (DIN)	01540057
Name	Mr. Arpit J. Vyas
Designation	Managing Director & CFO

b) Details of the BR Head:

Sr. No	Particulars	Details
1	DIN (if applicable)	NA
2	Name	Mr. Harshil R. Dalal
3	Designation	Sr. VP, Finance & Accounts
4	Telephone Number	079-2644 3053
5	E mail Id	grievance@dishmangroup.com

2. Principle-wise (as per NVGs) BR Policy / Policies:

SEBI has mandated to include Business Responsibility Report on the following principles as stated in the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights
Principle 6	Business should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Directors' Report (Contd.)

(a) Details of compliance (Reply in Y/N)

Sr. No	Questions	Business Ethics P1	Product Responsibility P2	Employee Well-being P3	Stakeholder Engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Value to Customer P9
1	Doyouhaveapolicy/policiesfor	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVG Guidelines.						N	All the policies are compliant with respective principles of NVG Guidelines.	
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The policies have been either approved by the Board or senior functional head authorised by the Board in this respect.						N	The policies have been either approved by the Board or senior functional head authorised by the Board in this respect.	
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies are available on the website of the Company www.dishmangroup.com and the policies which are internal to the Company are available on the intranet portal of the Company.						N	Policies are available on the website of the Company www.dishmangroup.com and the policies which are internal to the Company are available on the intranet portal of the Company.	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, all the policies are communicated to the employees via internal portal, where each employee has an access and the external stakeholders through Company's website.						N	Yes, all the policies are communicated to the employees via internal portal, where each employee has an access and the external stakeholders through Company's website.	
8	Does the Company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company carries out an independent audit on working of policy on environment. CSR expenditure is monitoring by CSR Committee and also audited by the Company's statutory auditors as well as Secretarial Auditors.								

N – No

Y – Yes

Directors' Report (Contd.)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P7
1	The company has not understood the Principles	Public Policy Advocacy is yet to be formulated. However, the Company plays a strong role in public policy advocacy through regular engagement with specific external stakeholders including industry associates, government bodies and regulatory departments.
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	
3	The company does not have financial or manpower resources available for the task	
4	It is planned to be done within next 6 Months	
5	It is planned to be done within the next 1 year	
6	Any other reason (please specify)	

3. Governance related to BR:

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The BR performance of the Company is regularly monitored by the Company and reviewed by the Managing Director & CFO, BR Head and respective departmental heads depending upon the type of BR activities.
b	Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?	BR Report is applicable to the company from the financial year 2016-17. This report comprises the Company's first BRR as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG). The company will publish Business Responsibility Report in its Annual Report and on Company's website: www.dishmangroup.com .

Section E: Principle-wise Performance

Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability:

The Company firmly believes and adheres to transparent, fair and ethical governance practices.

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?	The Company has adopted a Code of Conduct for its Directors and Senior Management. Additionally, the Policy on Code of Conduct for Employees applies to all employees of Group companies. The Company has an effective vigil mechanism/whistle blower policy in place to report to the management instances on unethical behaviour and any violation of the Company's code of conduct. The Company has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. It extends to Group/Joint Ventures/Contractors. These do not extend to other entities.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Details relating to shareholders' complaints are provided in Corporate Governance Report, which is a part of this Annual Report. However, there was no stakeholder complaint in the reporting period with regard to ethics, bribery and corruption.

Directors' Report (Contd.)

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	1) High Potent API 2) Antiseptic and Disinfectant Formulations 3) Cholesterol & Vitamin D related Products
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):	
	a. Reduction during sourcing / production / distribution achieved since the previous year through the value chain:	The company follows sustainable sourcing, production and distribution practices ensuring quality and safety of raw materials, API, intermediates and packaging materials procured from suppliers as well as of products manufactured, stored and distributed throughout the value chain. The Company has laid down a robust process for vendor evaluation and selection mechanism. The Company also emphasis on safe transportation, optimization of logistics and reduction of vehicular air emissions.
	b. Reduction during usage by consumers (energy, water) achieved since the previous year?	The company strives to improve the energy and water footprints by reducing the power and fuel consumption and has been able to reduce related costs. On the environment front, Company has adopted principles of natural resource conservation, reuse, reduce, recycle, and waste minimization. Most of the Company's facilities have achieved various recognitions / certifications such as ISO 14001:2004 EMS, ISO 9001:2008 QMS and ISO 18001:2007 OSHA. The Company's efforts are recognized by State Level, National Level and International Level Awards from time to time. Indian Chemical Council (ICC) has authorized the Company for use of Responsible Care Logo, for three years, with effect from September-2016 to August-2019.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Sustainability in the operations is critically important if the Company is to deliver continued innovation. In the best interests of human beings, the Company endeavour to work with responsible suppliers who adhere to the same quality, social and environmental standards. The Company has standard operating procedures for the evaluation and selection of its vendors for sourcing of material. This includes sample approvals, performance trials, plant audit and regulatory clearances. All procurement of materials is from the approved suppliers. The Company has system of identifying or developing alternate vendors where single vendor is considered critical for business continuity. In the past 1 year alternate sourcing for 90% of critical materials have been approved and regulatory approval have been received or is in process.
4	Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company procures goods and services from the local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation. The Company provides detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors. In some cases, the company has provided development support to the smaller companies to be able to develop manufacturing processes and reduce analytical burden.
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements. Every manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste below the norms prescribed by respective pollution control boards.

Directors' Report (Contd.)

Principle 3: Business should promote the wellbeing of all employees

1	Please indicate total number of employees	845
2	Please indicate total number of employees hired on temporary / contractual / casual basis	96 (including Trainees)
3	Please indicate the number of permanent women employees	57
4	Please indicate the number of permanent employees with disabilities	The Company has no permanent employee with permanent disabilities.
5	Do you have an employee association that is recognized by the Management?	The Company does not have an employee association that is recognized by the Management
6	What percentage of permanent employees is members of this recognized employee association?	N.A.
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not employ any child labour or forced / involuntary labour. The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year
8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	A. Permanent employees 70% B. Permanent women employees 88% C. Casual / Temporary / Contractual employee 95% D. Employees with disabilities N.A

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes, Stakeholders of the company have been mapped through a formal process of consultations at all operations. The Company's key stakeholders include employees, business associates, NGOs and especially local communities around its sites of operations.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, the Company has identified the disadvantaged, vulnerable and the marginalized sections within the local communities around its sites of operations.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company works actively to enhance the employment opportunities in the nearby locations whereby it operates, leading to income generation and economic empowerment in the marginalized sections of the communities. Various initiatives have been taken by the Company through NGO/ Trust to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern. For details of projects undertaken during the FY 2016-17, please refer the 'Annual Report on CSR Activities' attached as Annexure G to Directors Report.

Directors' Report (Contd.)

Principle 5: Business should respect and promote human rights:

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Human Rights are fundamental in nature and applicable universally. Dishman respects the Human Rights Principle and has developed its policies which are aligned to such principles in all its day-to-day operations. The Company is committed to promotion of human rights, in spirit and deed. The Company strives to provide a nondiscriminatory and harassment-free work place for all its employees and contractual staff.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints were received during the year in this regard

Principle 6: Business should respect, protect, and make effort to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors / NGOs/others.	The Company has Health, Safety and Environment policy covering all its Indian Operation currently. The Company has a conviction for safety policy providing for compensation in case of accident suffered by its employee and also other people working in the Company premises for Company's work. Dishman conducts strategic planning to establish long-term EHS goals, assess resources required to achieve specific goals, and ensure critical business alignment. Dishman considers feedback from internal and external stakeholders in proposing and establishing its long-term goals in manufacturing operations. Dishman continues to pursue world class operational excellence on Process Safety Management (PSM). Dishman has established the capabilities within the Company and developed in-house experts in various facets of PSM. Process Hazard Analysis (PHA) at various plants is being carried out to reduce process safety risks.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.	Dishman is committed towards excellence in Quality, Health, Safety and Environment Management and ensures that those working with the Company are safe at work and that everyone takes responsibility for achieving this. We include EHS and climate change-related considerations in our business decisions and strive to minimize any adverse impact on environment by our operational activities. Measuring, Monitoring, Reviewing, analyzing, appraising and reporting on environmental, health and safety performance is an important part of continual improvement in our EHS performance. The Company has taken all the necessary measures from the beginning for energy conservation as part of maintaining the operating cost to the minimum. Please refer to Annexure F to the Directors' Report.
3	Does the Company identify and assess potential environmental risks? Y/N	As a policy, the Company designs its processes in an environment friendly manner by assessing the potential environmental risks and avoid / limit the usage of toxic and hazardous substances.
4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	As on date, the Company does not have any project registered with Clean Development Mechanism (CDM), but the Company has various projects related to clean technology and we strive to identify CDM potential in all of our projects.

Directors' Report (Contd.)

5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has taken various initiatives through QHSE policy, which is being implemented, among others, through (i) Segregation of waste water in terms of High COD and Low COD and treated separately to achieve zero discharge by utilizing treated water for Utility services, washing activities and flushing activities. (ii) Stripper system, Multiple effect evaporator and ATFD for concentrated effluent stream; (iii) Biological Effluent Treatment System , Tertiary treatment , Two Stage R.O. System and Multiple Effect Evaporator for Dilute Stream Effluent. (iv) Practicing On-site emergency plan by conducting mock-drills; (v) Replacement of hazardous process / chemical to non-hazardous process for converting to low hazards; (vi) Fire detection and protection system available at site; (vii) Conducting intensive QHSE Training programs including contractor employees and monitoring the effectiveness of the same (viii) Participation of employees in Safety committee meetings at all levels and celebrating the National Safety Day / Week and World Environment Day as well as observing Fire Service Day (ix) Tree plantation to increase the green cover at site (x) Independent safety and environment audits at regular intervals by third party and also in-house by cross functional team; (xi) In-house medical and health facility at site for pre- employment & periodical medical check-up of all employees including contract employees;(xii) Additional health checkup for employees based on their occupational needs (xiii) Blood Donation Camp at site in association with the Ahmedabad Red Cross Society for social cause; (xiv) Participation and paper presentation on good practices adopted by dishman on SHE management in National and International Conferences. (xv) Rated low risk facility by various international Customer by conducting in depth EHS audit. (xvi) Rain water Harvesting System to conserve rain water and improve ground water level. Please refer Directors' Report which is available on Company's website www.dishmangurop.com .
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, the company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	No show cause / legal notices which are pending as on the end of the financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.	(a) Gujarat Chamber of Commerce & Industry (GCCl) (b) Confederation of Indian Industry (CII) (c) Pharmaceuticals Export Promotional council of India (Pharmexcil) (d) Indo-American Chamber of Commerce (IACC)
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	The Company interacts with various government departments/regulatory authorities on any public policy framework through GCCl, CII and Pharmexcil. The Company puts forth its views on new standards or regulatory developments pertaining to pharmaceutical manufacturing industry.

Directors' Report (Contd.)

Principle 8: Business should support inclusive growth and equitable development

1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company believes that its corporate social responsibility lies in creating a comprehensive and integrated ecosystem that can deliver affordable and effective healthcare to the less privileged among India's rural and urban population. We also support education initiatives that can impart better learning to the underprivileged students in rural schools and empower communities by providing proper infrastructure for self - sustained villages with health centres, community centres, schools, sanitation, water and source of light. For details of projects undertaken during the FY 2016-17, please refer the 'Annual Report on CSR Activities' attached as Annexure G to Directors Report.
2	Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization?	The identified programmes/projects are carried out through NGOs/ Trust/ Organization / implementing agencies in the field of Education, Healthcare, Social & Child care, Sanitation and Hygiene etc. to meet priority needs of the underserved communities with the aim to help them to become self-reliant. For details of such programmes / projects been implemented either on its own or through an external agency, please refer the 'Annual Report on CSR Activities' attached as Annexure G to Directors Report.
3	Have you done any impact assessment of your initiative?	Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.
4	What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?	During the year under review the Company had contributed Rs1.82 crores towards identified programmes/projects as a part of its CSR Initiatives. The details of project undertaken are mentioned in 'Annual Report on CSR Activities' attached as Annexure G to Directors Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company undertakes needs assessment surveys in villages and community before undertaking CSR initiatives. Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted with during implementation of initiatives. Further, the Company ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	There are no customer complaints/consumer cases are pending as on the end of financial year.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	N.A. The company's products are not OTC products. The Company is engaged in Contract Manufacturing and Research and manufacturing of Bulk Drugs and APIs. Hence, only product information that is approved by the regulatory authorities is displayed on the product label.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There are no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	There is a continuous improvement process through which periodic feedback taken on a regular basis from our customers/stakeholders and an immediate action is taken on any issues that they are facing.

Corporate Governance Report

The erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Hence, before merger being an unlisted Company, requirements of Corporate Governance as per SEBI (LODR) Regulation, 2015 ("Regulation") is not applicable to the Company. Corporate Governance Report hereunder given in context of Company's present status and Compliance made by erstwhile DPCL under the said Regulation.

"Corporate Governance is globally recognized as a key component for superior long term performance of every corporate entity. Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization's wealth generating capacity. This is ensure by taking ethical business decision and conducting business with firm commitment to values, while meeting stakeholder's expectations.

Adaptation to changing times is the key to corporate growth and long term survival. Continuous improvement is necessary in the governance practices as well. Better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase stakeholders' understanding of the key activities and policies of the organization.

We are committed for maximizing stakeholder value by improving good governance, quality, and commitment with a spirit of integrity."

We at "DISHMAN" follow Corporate Governance practices in accordance with the provisions of the Schedule V of SEBI (LODR) Regulations, 2015.

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieve the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

2. BOARD OF DIRECTORS

(a) Composition

The Company has a very balanced structure of Board of Directors. As on date, the Company has eight (8) directors with an Executive Chairman on its Board. Out of these, three (3), [37.5%] are Executive Directors including Woman Director, one (1), [12.5%] is Non-Executive Non-Independent Director and four (4) [50%] are Non-Executive & Independent Directors. The composition of the board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015.

All Non-Executive & Independent Directors on the Board are highly experienced, competent and renowned persons from their respective field. They actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

Independent Directors are non-executive directors as defined under Regulation 16 (1) (b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned Regulation 16 (1) (b) of SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013.

(b) Information on Board of Directors

None of the directors on the board is a Member of more than ten (10) committees or Chairman of more than five (5) committees across all the companies in which he is a director. None of the Independent Directors serve as an independent director in more than seven listed entities provided that any Independent Director who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Necessary disclosures regarding their Directorship/ Membership in other companies have been made by all directors. For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

Corporate Governance Report (Contd.)

Names and Categories of the Directors on the Board, Number of other directorship & chairmanship/membership held by them in other companies during the year 2016- 2017 is given below:

Name of Director	Category	India Listed Companies*	No. of Directorship in all Co. including overseas Companies®	No. of Chairmanship/ Membership in other Companies#	
				Chairmanships	Memberships
Mr. Janmejy R. Vyas	Promoter & Executive Director	-	10	-	-
Mrs. Deohooti J. Vyas	Promoter & Executive Director	-	7	-	-
Mr. Arpit J. Vyas	Promoter & Executive Director	-	9	-	-
Mr. Mark C. Griffiths	Non-Executive & Non-Independent Director	-	7	-	-
Mr. Sanjay S. Majmudar	Non-Executive & Independent Director	3	8	1	4
Mr. Ashok C. Gandhi	Non-Executive & Independent Director	4	6	1	5
Mr. Subir Kumar Das	Non-Executive & Independent Director	-	2	-	-
Mr. Rajendra S. Shah	Non-Executive & Independent Director	3	8	3	3

* Excluding Directorship in DPCL.

@ Directorship in Companies including overseas companies (listed, unlisted and private limited companies), including the Company and its subsidiaries.

As required by Regulation 26 of SEBI (LODR) Regulations, 2015, the disclosure includes chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee in Indian public companies (listed and unlisted)

(c) Board Membership Criteria

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristic, skills and experience required for the Board as a whole and for individual members. Board Members are expected to possess the expertise, skills, and experience to manage and guide a high growth.

(d) Number of meetings of the board of directors held and dates on which held

Five (5) Board Meetings were held during the year 2016-2017. The dates on which the Board meetings were held are: 28th April, 2016, 15th June, 2016, 28th September, 2016, 17th December, 2016 and 17th March, 2017. The Company has passed one circular resolutions on 27th March, 2017 pertaining to take note of change of name of the Company pursuant to the Scheme of Arrangement & Amalgamation.

Management Committee formed by Board of Directors to oversee day to day operations of the Company, which consist of Three (3) Executive Directors subject to supervision and control of the Board of Directors. The Management Committee formed by the Board makes decision within the authority delegated. All decisions/ recommendation of the Committees are placed before the Board for information and/or its approval.

As per the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015, the Board meets at least four times in every quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days.

The information as required under Regulation 17 (7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda. As required under Regulation 17 (7) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2016- 2017 is given below:

Name of Director	No. of Board Meeting held & attended during 2016-2017					Total attended	% of attendance	Whether attended Last AGM held on 30th September, 2016
	28.04.16 (1)	15.06.16 (2)	28.09.16 (3)	17.12.16 (4)	17.03.17 (5)			
Mr. Janmejy R. Vyas	✓	✓	✓	✓	✓	5	100	Yes
Mrs. Deohooti J. Vyas	NA	NA	NA	NA	NA	NA	NA	YES in a capacity of a member
Mr. Arpit J. Vyas	✓	✓	✓	✓	x	4	80	Yes
Mr. Mark C. Griffiths	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	✓	5	100	Yes
Mr. Ashok C. Gandhi	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Subir Kumar Das	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Rajendra S. Shah	NA	NA	NA	NA	NA	NA	NA	NA

✓ = Attended in person x = Leave of Absence

NA – Not Applicable as appointed on Board of the Company w.e.f. 17/03/2017

Corporate Governance Report (Contd.)

(e) Disclosure of Relationship between Directors inter se

Name of Directors	Relationship with other Directors
Mr. Janmejey R. Vyas	Husband of Mrs. Deohooti J. Vyas, Whole-time Director and Father of Mr. Arpit J. Vyas, Managing Director and CFO of the Company
Mrs. Deohooti J. Vyas	Wife of Mr. Janmejey R. Vyas, Chairman & Managing Director and Mother of Mr. Arpit J. Vyas, Managing Director and CFO of the Company
Mr. Arpit J. Vyas	Son of Mr. Janmejey R. Vyas, Chairman & Managing Director and Mrs. Deohooti J. Vyas, Whole-time Director of the Company
Mr. Mark C. Griffiths	He is a Global CEO of Dishman Group.
Mr. Sanjay S. Majmudar	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Ashok C. Gandhi	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Subir Kumar Das	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Rajendra S. Shah	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.

(f) Shareholding of Non-Executive Directors

Name of Non-Executive Directors	No. of Equity Shares held in		Convertible Securities held
	Erstwhile DPCL	The Company	
Mr. Sanjay S. Majmudar	24700	500*	Nil
Mr. Ashok C. Gandhi	Nil	Nil	Nil
Mr. Subir Kumar Das	Nil	Nil	Nil
Mr. Rajendra S. Shah	Nil	Nil	Nil
Mr. Mark C. Griffiths	Nil	Nil	Nil

*He was ostensible owner on behalf of DPCL. After Merger, the said shares have been cancelled pursuant to the Scheme of Merger.

(g) Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. The said Code of Conduct has been posted on the Company's website www.dishmangroup.com. A declaration to this effect duly signed by Chairman & Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

(h) Disclosures regarding appointment/re-appointment of Directors

Mr. Arpit J. Vyas, Managing Director & CFO is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The brief resume and other information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.

Pursuant to the Scheme of Arrangement & Amalgamation, the Directors of erstwhile DPCL shall be appointed as Directors of the Company. Accordingly, the Board of Directors of the Company at its meeting held on 17th March, 2017, change the designation of existing Directors namely Mr. Janmejey R. Vyas as Chairman & Managing Director; Mr. Arpit J. Vyas as Managing Director & CFO and Mr. Sanjay S. Majmudar as an Independent Director as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board also appointed Mrs. Deohooti J. Vyas as a whole-time director, Mr. Rajendra S. Shah, Mr. Ashok C. Gandhi, Mr. Subir Kumar Das as an Independent Directors and Mr. Mark C. Griffiths as Non-Executive Non-Independent Director of the Company with their existing terms and conditions as approved by the Board of Directors and Shareholders of erstwhile DPCL.

(i) FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarisation programmes have been disclosed on the Company's website at www.dishmangroup.com.

3. AUDIT COMMITTEE

The Audit Committee serves as the link between the Statutory and internal auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Corporate Governance Report (Contd.)

(a) Terms of reference and Powers

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the Regulation 18 of SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

The Committee reviews the information as listed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Schedule II Part C (B) as well as under Section 177 of the Companies Act, 2013.

(b) Composition

The erstwhile DPCL has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Accordingly, the Company has constituted Audit Committee on 17th March, 2017. The Audit Committee comprises qualified and independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The present composition of the Audit committee during the financial year 2016-2017 is as follow:

Name	Designation	Category
Mr. Sanjay S. Majmudar	Chairman	Non-Executive and Independent Director
Mr. Ashok C. Gandhi	Member	Non-Executive and Independent Director
Mr. Subir Kumar Das	Member	Non-Executive and Independent Director

(c) Audit Committee Meetings

During the year no Audit Committee Meeting was held in the Company as the Committee was constituted on 17th March, 2017.

However, in erstwhile DPCL Five [5] Audit Committee Meetings were held during the year 2016-2017. The dates on which the Audit Committee Meetings were held are: 19th May, 2016, 3rd August, 2016, 27th October, 2016, 13th February, 2017 and 17th March, 2017.

The maximum time gap between two meetings was not more than 120 days.

The Statutory Auditors, Internal Auditors of erstwhile DPCL/Company and Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters.

Company Secretary acts as Secretary to the Committee.

Mr. Sanjay S. Majmudar, Chairman of Audit Committee of erstwhile DPCL, attended the last Annual General Meeting of erstwhile DPCL held on 27th September, 2016.

Names of the members on the Committee of erstwhile DPCL, their Attendance in the Audit Committee Meetings, % of attendance during the year 2016- 2017 is given below:

Name of Director	No. of Board Meeting held & attended during 2016-2017					Total attended	% of attendance
	19.05.16	03.08.16	27.10.16	13.02.17	17.03.17		
	(1)	(2)	(3)	(4)	(5)		
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	✓	5	100
Mr. Ashok C. Gandhi	✓	✓	✓	✓	✓	5	100
Mr. Subir Kumar Das	✓	✓	✓	✓	✓	5	100

✓ = Attended in person x = Leave of Absence

Corporate Governance Report (Contd.)

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Composition

The erstwhile DPCL has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Accordingly, the Company has constituted Nomination and Remuneration Committee on 17th March, 2017. The constitution, composition and functioning of the Nomination and Remuneration Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. Presently the "Nomination and Remuneration Committee" comprises following qualified and independent Directors being a member of the Committee.

Name	Designation	Category
Mr. Sanjay S. Majmudar	Chairman	Non-Executive and Independent Director
Mr. Ashok C. Gandhi	Member	Non-Executive and Independent Director
Mr. Subir Kumar Das	Member	Non-Executive and Independent Director

(b) Nomination and Remuneration Committee Meeting

During the year no Nomination and Remuneration Committee Meeting was held as the Committee was constituted on 17th March, 2017.

However, in erstwhile DPCL, one [1] Nomination and Remuneration Committee meeting was held on 19th May, 2016, which was attended by all the three Members. The erstwhile DPCL has passed circular resolutions on 2nd August, 2016 pertaining to approval of Appointment of Ms. Shrima Dave as Company Secretary & Compliance Officer w.e.f. 24th August, 2016.

Mr. Sanjay S. Majmudar, Chairman of Nomination and Remuneration Committee of erstwhile DPCL, attended the last Annual General Meeting of erstwhile DPCL held on 27th September, 2016.

(c) Terms of reference and Powers of the committee inter alia, includes the following :

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying 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 of directors their appointment and removal.
- 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.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

(d) Performance evaluation criteria for independent directors:

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, effective participation, domain knowledge and so on, which are considered by the Committee and/or Board while evaluating the performance of each Director. The performance evaluation of the Independent Directors was carried out by the entire Board.

5. Remuneration of Directors

(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

(b) Disclosures with respect to remuneration:

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Executive & Whole-Time Directors

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Whole-time Directors, subject to the approval of Members and Central Government, if required. The remuneration structure of the Company

Corporate Governance Report (Contd.)

comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of all executive and whole time directors is contractual as per the Company's policy.

Before merger there were no whole-time Directors in the Company. However, Erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) have three whole time Directors on its Board, who are eligible to draw remuneration as under as per the Board and Shareholder's approval. The details of remuneration paid to Managing and Whole-time Directors during the year 2016-2017 are as follows :

Name & Designation of the Director	Salary/ Remuneration (p.a.)	Perquisites & Allowances	Performance Linked Bonus/ Commission	Stock Options
1. Mr. Janmejy R. Vyas, Chairman & Managing Director	453.96	Nil	Nil	Nil
2. Mrs. Deohooti J. Vyas, Whole-time Director	180.00	Nil	Nil	Nil
3. Mr. Arpit J. Vyas, Managing Director & CFO	180.00	Nil	Nil	Nil

Terms of Appointment of Directors

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/reappointment are given in Notice of the 10th Annual General Meeting. Pursuant to the Scheme of Arrangement and Amalgamation sanctioned by Hon'ble High Court of Gujarat vide order No. O/47146/2016 dated 16th December, 2016, and upon coming into effect of the Scheme the Directors of erstwhile Dishman Pharmaceuticals and Chemicals Ltd., shall be appointed as Directors of the Company.

Further, the designation of existing Directors of the Company viz. Mr. Janmejy R. Vyas, Mr. Arpit J. Vyas and Mr. Sanjay Majmudar have changed as per their respective designations in Dishman Pharmaceuticals and Chemicals Ltd. AND terms of appointment of all the Directors will remain same as approved in the respective meetings of Board of Directors and Shareholders of erstwhile DPCL. Therefore, terms of Appointment of the Managing and Whole-time Directors as per the resolutions passed by Board and Shareholders are as under:

I. Executive Directors

1. Mr. Janmejy R. Vyas, Chairman & Managing Director

Tenure: 5 (Five) years w.e.f. 1st March, 2015. The period of office of Mr. Janmejy R. Vyas shall be liable to determination by retirement of Director by rotation.

Remuneration: Subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 2013, the remuneration payable to Mr. Janmejy R. Vyas shall be 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013 and may or may not comprise salary, allowances and perquisites as may be determined by the Board of Directors from time to time and agreed to by Mr. J.R. Vyas, provided that the perquisites shall be evaluated as per Income Tax Act and Rules whenever applicable. The remuneration for the Part of the year shall be computed on pro rata basis

Sitting Fees : Mr. J. R. Vyas shall not be entitled to any sitting fees.

2. Mrs. Deohooti J. Vyas, Whole -Time Director

Tenure : Five Years w.e.f. 3rd September, 2016. The period of office of Mrs. Deohooti J. Vyas shall be liable to determination by retirement of Director by rotation.

Remuneration : Subject to overall limit to all Managerial Personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto, Mrs. Deohooti J. Vyas shall be paid Rs.15.00 lacs (Rupees Fifteen Lacs only) per month and the above remuneration payable to her may comprise salary, allowances and perquisites etc. as may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro-rata basis. The Board of Directors of the Company is authorised to increase or revise the remuneration of Mrs. Deohooti J. Vyas subject to maximum remuneration of Rs.20.00 lacs (Rupees Twenty Lacs only) per month, from time to time during the tenure of said five years.

Sitting Fees: Mrs. Deohooti J. Vyas shall not be entitled to any sitting fees.

Corporate Governance Report (Contd.)

3. Mr. Arpit J. Vyas, Managing Director

Tenure : Five Years w.e.f. 1st June, 2014. The period of office of Mr. Arpit J. Vyas shall be liable to determination by retirement of Director by rotation.

Remuneration : Subject to overall limit on remuneration payable to all Managerial Personnel taken together, as laid down in the Companies Act, 1956, read with Schedule XIII thereto, Mr. Arpit J. Vyas shall be paid Rs.10.00 lacs (Rupees Ten Lacs only) per month and the above remuneration payable to him may comprise salary, allowances and perquisites as may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro-rata basis. The Board of Directors of the Company is authorised to increase or revise the remuneration of Mr. Arpit J. Vyas subject to maximum remuneration of Rs.15.00 lacs (Rupees Fifteen Lacs only) per month, from time to time during the tenure of said five years.

Sitting Fees : Mr. Arpit J. Vyas shall not be entitled to any sitting fees.

II. Non-Executive & Independent Directors

On 30th July, 2013 by passing a special resolution as such, Members of the erstwhile DPCL given their consent and authorized Board of Directors for payment of commission to Non-Executive Director(s) as may be determined by the Board of Directors for each such Non-Executive Director for each financial year ending on 31st March, 2015 up to and including financial year ending on 31st March, 2018 within a maximum limit of one per cent of the net profits of the Company, subject to maximum of Rs.18.00 Lacs in aggregate in addition to payment of sitting fees. Thereafter, looking to the new responsibilities entrusted to the Non-executive Directors under the new Companies Act, 2013 to make their role more objective and purposeful, the said limit of Rs.18.00 lacs has been increased to Rs.25.00 lacs and approved by the members of the erstwhile DPCL vide special resolution passed through postal ballot on 13th January, 2015. Further, in Annual General Meeting of erstwhile DPCL held on 27th September, 2016, the members of erstwhile DPCL had removed the said limit of Rs.25.00 lacs and approved the payment of remuneration by way of commission to the Non-executive Directors of the Company up to a maximum permissible limit of one percent of the net profits of the Company as the Board may determine keeping in view and after considering the contribution of and valuable services rendered by each such Non-executive Director(s) for remaining period of two years for each financial year ending on 31st March, 2017 up to and including 31st March, 2018.

Commission & Sitting fees to Non-executive Directors

The details of payment of commission and sitting fees paid to Non-Executive Directors of erstwhile DPCL for the FY 2016-17 are as under:

(₹ In lacs)			
Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Sanjay S. Majmudar	11.50	3.40
2.	Mr. Ashok C. Gandhi	9.50	3.20
3.	Mr. Subir Kumar Das	9.00	2.40
4.	Mr. Rajendra S. Shah (appointed w.e.f. 02/04/2015)	7.00	1.20

The Company also reimburses out of pocket expenses to outstation Director(s) for attending meetings in Ahmedabad.

(c) Stock Option

The Company has not granted any stock options to its Directors.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) Composition

The erstwhile DPCL has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Accordingly, the Company has constituted Stakeholders Relationship Committee on 17th March, 2017. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to investors including share related matters and redressal of grievances of Security holders. The

Corporate Governance Report (Contd.)

Committee comprises three [3] directors and committee functions under the Chairmanship of an independent director. The present composition of the Stakeholders Relationship Committee during the financial year 2016-2017, is as follow:

Name	Designation	Category
Mr. Sanjay S. Majmudar	Chairman	Non-Executive and Independent Director
Mr. Ashok C. Gandhi	Member	Non-Executive and Independent Director
Mr. Janmejy R. Vyas	Member	Promoter and Executive Director

(b) Stakeholders' Relationship Committee Meetings:

During the year no Stakeholders' Relationship Committee Meeting was held as the Committee was constituted on 17th March, 2017.

However, in erstwhile DPCL, Four [4] meetings were held during the year 2016-2017. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 19th May, 2016, 3rd August, 2016, 27th October, 2016, and 13th February, 2017.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2016- 2017 is given below:

Name of Member	No. of Stakeholders Relationship Committee Meeting held & attended during 2016-2017				Total attended	% of attendance
	19.05.16 (1)	03.08.16 (2)	27.10.16 (3)	13.02.17 (4)		
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	4	100
Mr. Ashok C. Gandhi	✓	✓	✓	✓	4	100
Mr. Janmejy R. Vyas	✓	✓	✓	✓	4	100

✓ = Attended in person

x = Leave of Absence

Mr. Sanjay S. Majmudar, Chairman of Stakeholders' Relationship Committee of erstwhile DPCL, attended the last Annual General Meeting of erstwhile DPCL held on 27th September, 2016.

(c) Terms of reference and Powers

- Committee is empowered to collect the relevant information from all departments, which would be useful to satisfy the requirements of the shareholders and as per provisions of the Act and Listing Regulations..
- Give required information to shareholders and solve the problems, complaints, grievances etc. of the shareholders promptly.
- Look into redressal of shareholders' complaints like delays in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

(d) OTHER INFORMATION

- To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's RTA namely Link Intime India Pvt. Ltd., Mumbai under the supervision and control of the Company Secretary/Compliance Officer of the Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.
- In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the Code of Conduct for Prevention of Insider Trading for complying with the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the requirements under the SEBI (LODR) Regulations, 2015.

Name, Designation and address of the Compliance Officer

Ms. Shrima Dave*, Company Secretary

Dishman Carbogen Amcis Ltd.

Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009

Phone No.: [079] 26443053, Fax No. [079] 26420198, Email : grievance@dishmangroup.com

Corporate Governance Report (Contd.)

The Company has designated the email Id (grievance@dishmangroup.com) for grievances redressal and registering complaints by investor.

*Ms. Shrima Dave has been appointed as Company Secretary of the Company w.e.f. 17/03/2017.

1. Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2016-2017 of erstwhile DPCL.

Quarter-wise Summary of Investors' Complaints received and resolved					
Quarter Period		Opening	Received	Resolved	Pending
From	To				
01/04/2016	30/06/2016	NIL	2	2	NIL
01/07/2016	30/09/2016	NIL	2	2	NIL
01/10/2016	31/12/2016	NIL	2	2	NIL
01/01/2017	31/03/2017	NIL	1	NIL	1

(e) Non-receipt/Unclaimed dividends or Securities

In case of non-receipt of dividend or request for unclaimed dividend of FY 2009-10 till FY 2015-16 and Interim Dividend for FY 2016-17 and any unclaimed shares, shareholders are requested to write an application on plain paper to the Company at following address.

Company Secretary/Compliance Officer,
Dishman Carbogen Amcis Ltd.
Bhadr-Raj Chambers, Swastik Cross Roads,
Navrangpura, Ahmedabad - 380 009
Contact No.: 079-26443053 / 5807 Fax No. 079-26420198
Email : grievance@dishmangroup.com

As per the notification issued by Ministry of Corporate Affairs (MCA) on 10th May, 2012, details of unclaimed dividend amounts as referred to Section 125 of the Companies Act, 2013, is available on the Company's website: www.dishmangroup.com

(f) Amount Transferred to IEPF Account

As per the provision of Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. As the dividend declared in year 2008-2009, the seven years completed on 30th August, 2016, the Company has transferred the unpaid or unclaimed dividend amount for the financial year 2008-2009, to the IEPF on 28th September, 2016.

(g) Due Date for transfer of Unclaimed and Unpaid Dividend to the IEPF in respect of dividend declared by erstwhile DPCL

Dividend for the Financial Year	Dividend Payment Date	Proposed date for transfer of Unclaimed and Unpaid Dividend to the IEPF
2009-10	30 th July, 2010	29 th August, 2017
2010-11	29 th July, 2011	28 th August, 2018
2011-12	25 th September, 2012	25 th October, 2019
2012-13	30 th July, 2013	29 th August, 2020
2013-14	4 th September, 2014	3 rd October, 2021
2014-15	29 th September, 2015	28 th October, 2022
2015-16 (Interim Dividend)	10 th March, 2016	9 th April, 2023
2016-17 (Interim Dividend)	13 th February, 2017	12 th March, 2024

Note: No claims will lie against the Company or the IEPF in respect of the said unclaimed amounts when transferred to the IEPF, therefore, shareholder are requested to claim before the aforesaid due dates.

(h) Details of Unclaimed Shares

As per the Clause 5A of the erstwhile Listing agreement, as on 1st April, 2016, erstwhile DPCL has one case consists of 250 unclaimed shares, allotted under the Initial Public Offer (IPO) of the Company, completed during the year 2004. The DPCL

Corporate Governance Report (Contd.)

has opened separate demat suspense account as per the procedure prescribed under the said clause. During the year DPCL/ Company has not received any request on unclaimed shares. As on 31st March, 2017 there was one case outstanding consists of 500 (after Bonus share) unclaimed shares in demat suspense account.

Thus, the status of unclaimed shares as of date is as under:

Particulars	At the beginning of the year	Approached for unclaimed shares during the year	Credit effected during the year	At the end of the year
No. of outstanding Shareholders	1	NIL	NIL	1
No. of outstanding unclaimed shares	250	NIL	NIL	500(after Bonus share)

As per Clause 5A of the Listing Agreement, erstwhile DPCL has opened Separate Demat Suspense Account with the Depository Participant namely Bank of India, Navrangpura, Ahmedabad and transferred the outstanding unclaimed shares to the said Account and rights relating to these shares shall remain frozen till the rightful owner of such shares claim the shares.

Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the erstwhile DPCL has to transfer the Equity shares in respect of which dividend has not been claimed/encashed for seven or more consecutive years to the Investor Education and Protection Fund (IEPF) of the Central Government. In this regard, during the financial year 2016-17, the erstwhile DPCL sent letters to the Shareholders falling under the aforesaid category. The details of such Shareholders are available at the website of the Company at www.dishmangroup.com. Please note that once such shares are transferred to the IEPF, the same can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.

7. Corporate Social Responsibility (CSR) Committee

a) Constitution & Composition of CSR Committee

The erstwhile DPCL has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Accordingly, the Company has constituted CSR Committee on 17th March, 2017 as required under Section 135 of the Companies Act, 2013 and rules framed there under.

The composition of the CSR Committee are given below:

Name	Designation	Category
Mr. Janmejy R. Vyas	Chairman	Non-Independent
Mr. Arpit J. Vyas	Member	Non-Independent
Mr. Sanjay S. Majmudar	Member	Independent

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

b) Corporate Social Responsibility (CSR) Committee Meetings:

During the year no CSR Committee Meeting was held as the Committee was constituted on 17th March, 2017.

However, in erstwhile DPCL, CSR Committee Meetings were held on 19th May, 2016 where all members were present. The erstwhile DPCL has passed circular resolutions on 1st April, 2016, 25th June, 2016, 27th January, 2017 and 16th March, 2017.

c) Terms of reference of the Committee, inter alia, includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the implementation of framework of CSR Policy.
4. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

d) CSR Policy

Your Company has developed a CSR Policy, which is reviewed from time to time and uploaded on the Company's website www.dishmangroup.com.

Corporate Governance Report (Contd.)

8. Information about General body meetings:

(a) Annual General Meeting

Details of Venue, Date and Time of the Last Three Annual General Meetings are as follows:

Year	Venue	Date	Time
2013-2014	Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380009	30/09/2014	01:00 p.m.
2014-2015	Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380009	30/09/2015	01:00 p.m.
2015-2016	Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380009	30/09/2016	01:00 p.m.

(b) Special Resolution (without postal ballot) passed at the Last Three AGM

Year	Date of AGM	No. of Resolutions Passed	Particulars
2013-2014	30/09/2014	4	- To Mortgage, Hypothecate and/or charge all or any of the movable and or immovable properties of the Company u/s. 180(1)(a) of the Companies Act, 2013. - Increase in Borrowing Power u/s. 180(1)(c) of the Companies Act, 2013. - Authorize Board of Directors to avail Loans, Give Guarantee/Provide Security and Make Investments on behalf of the Company - Authorize Board of Directors to enter with the Related Party Transactions
2014-2015	30/09/2015	NIL	NA
2015-2016	30/09/2016	NIL	NA

(c) Postal Ballot Resolutions

The Company did not pass any special resolution through Postal Ballot during the last year.

(d) Whether any resolution are proposed to be conducted through postal ballot

No Special resolution requiring a Postal Ballot is being proposed at the ensuing Annual General Meeting of the Company.

9. MEANS OF COMMUNICATION

Before merger and being an unlisted Company, there is no need to publish quarterly or yearly financial results by the Company and also not required to inform the Stock Exchanges about any information/communication. However, erstwhile DPCL being a listed Company has communicated as under:

(a) Financial Results:

The erstwhile DPCL regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges, immediately after the same are taken on record by the Board.

(b) Newspapers wherein results normally published

Results are normally published in Indian Express (English edition) and in Financial Express (Gujarati edition). These are not sent individually to the shareholders.

(c) Website, News Releases, Presentation etc.

The DPCL's results, annual reports and official news releases are displayed on its web-site www.dishmangroup.com. The said DPCL's website also containing basic information about the DPCL includes information about its business, financial information, shareholding pattern, compliance with corporate governance, DPCL's director, registrar & transfer agent, contact information of the designated officials of the DPCL who are responsible for assisting and handling investor grievances etc.

The DPCL had meetings with and made presentations to the institutional investors and analysts during the year and the presentation made to analysts and investors are uploaded on the website of the DPCL. Also transcripts of Con-call made with institutional investors and analysts are made available on website of the DPCL.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web based application designed by National Stock Exchange of India Ltd. (NSE) for corporates. The Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures of the DPCL are also filed electronically on NEAPS.

BSE Listing Center

Bombay Stock Exchange Limited (BSE) has also launched a web based system for corporates to make their periodic submission of compliances online. DPCL is also filing the Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures through the BSE Listing Center.

Corporate Governance Report (Contd.)

Processing of investor complaints in SEBI Complaints Redress System (SCORES)

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

Price Sensitive Information

All price sensitive information and announcements are communicated by the DPCL immediately after the Board decisions to the Stock Exchanges, where DPCL's shares are listed, for dissemination to the Shareholders.

10. Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There were no materially significant related party transactions that may have potential conflict with the interests of the Company.

(b) details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

There was no non-compliance by the Company during the year and as being an unlisted entity question of any penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years does not arise.

(c) Whistleblower Policy

The Company has adopted the Whistleblower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior, actual or suspect fraud or violation of Code of Conduct. It also provides adequate safeguard against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of Audit Committee. The said policy is uploaded on the Company's website www.dishmangroup.com.

(d) Material Subsidiary

The Company has policy for determining "Material Subsidiary" which is uploaded on the website of the Company on www.dishmangroup.com

(e) Basis of Related Party Transaction

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2016-17. Related party transaction during the year have been disclosed vide note no. 31 of notes on financial statement as per requirement of Ind As 24 on related party disclosure issued by ICAI. These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically. The Board has approved a policy for related party transactions which is uploaded on the website of the Company www.dishmangroup.com.

The Company's major related party transactions are generally with its Subsidiaries. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arms length basis and are intended to further the interests of the Company.

(f) Reporting of Internal Auditor

The Internal Auditor of the erstwhile DPCL is regularly invited to the Audit Committee meeting and regularly attends the meeting. The Internal Auditors give quarterly presentation on their audit observation to the Audit Committee.

(g) Compliance with the Corporate Governance Code

Erstwhile DPCL has complied with all the mandatory Corporate Governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation 46 of SEBI (LODR) Regulations, 2015.

(h) Discretionary Requirements specified in Part E of Schedule II:

- Shareholder's Rights: Quarterly, Half yearly and yearly financial results including summary of significant events are not being sent to the shareholders by erstwhile DPCL. However quarterly financial results are published in the leading news papers and are also available on the website of the DPCL.
- Modified Opinion(s) in Audit Report: there is no qualification on Auditor's report on standalone and consolidated financial statement to the shareholder of the Company.
- Reporting of Internal Auditor: The Board has appointed Internal Auditor of the Company who will directly reporting to Audit Committee.

Corporate Governance Report (Contd.)

(i) Disclosure of accounting treatment in preparation of Financial Statements

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statement.

(j) MDA

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

(k) CEO/CFO Certificate

The Chairman and Managing Director and the Chief Financial Officer of erstwhile DPCL have furnished a Certificate to the Board for the year ended on March 31, 2017 in compliance with as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

In compliance of the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Chairman & Managing Director and Managing Director & CFO of the DPCL give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Regulation 33(2)(b) of SEBI (LODR) Regulations, 2015 the Chairman & Managing Director and Managing Director & CFO of erstwhile DPCL also gave quarterly Certification on financial results while placing the financial results before the Board.

(l) Risk Management Policy

Erstwhile DPCL had framed formal Risk Management framework for risk assessment and risk minimization for its Indian operation which was periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee of DPCL was also reviewed the adequacy of the risk management frame work, the key risks associated with the business and measures and steps in place to minimize the same. After merger Company has also framed Risk Management Policy.

(m) Dividend Distribution Policy

As per Regulation 43A of SEBI (LODR) Regulations, 2015, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. Accordingly, the Board of erstwhile DPCL had approved the Dividend Distribution Policy in line with said Regulation. The said policy is available on www.dishmangroup.com. Being an unlisted Company, presently the said regulation is not applicable to the Company.

(n) Other Policies

Erstwhile DPCL has formulated Business Responsibility Policy, policy for preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015. The said policies are available on the website of the Company.

After merger, Company has adopted all the policies required to be formulated under SEBI (LODR) Regulations, 2015, which will be applicable to the company after listing of its shares to the Stock Exchanges.

(o) Conflict of Interest

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

11. General shareholder information

(a) Company Registration Details

The Company is registered under The Companies Act, 1956 with the Office of Registrar of Companies, Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is : U74900GJ2007PLC051338.

(b) 10th Annual General Meeting

Date & Time	Venue
28 th day of September, 2017 at 10.00 a.m.	H.T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

(c) Financial Year

Financial year is commencing from 1st April to 31st March and financial results will be declared as per the following schedule.

Financial Results ended	Timeline
30 th June, 2017	- 45 days from end of Quarter 30th June, 2017
30 th September, 2017	- 45 days from end of Quarter 30th September, 2017
31 st December, 2017	- 45 days from end of Quarter 31st December, 2017
Audited Results for the year ended on 31st March, 2018	- 60 days from end of Financial Year (i.e. on or before 30th May, 2018)

Corporate Governance Report (Contd.)

(d) Date of Book Closure

The Register of Members and Share Transfer Books of the Company were closed from **Thursday, the 21st day of September, 2017 to Thursday, the 28th day of September, 2017 (both days inclusive)** for the purpose of Annual General Meeting.

(e) Dividend Payment Date

Not Applicable. The erstwhile DPCL has declared interim dividend on equity shares of the Company for the FY 2016-2017 and therefore no final dividend has been recommended by the Board.

(f) Listing on Stock Exchanges

A. Equity Shares

The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger and thereafter the new shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

The equity shares of the DPCL are listed on following two Stock Exchanges having nationwide trading terminals.

Name of Stock Exchanges Address	
Bombay Stock Exchange Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
National Stock Exchange of India Ltd. (NSE)	"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

B. Debt Security

The Secured Redeemable Non-Convertible Debentures (NCDs) of Rs.150.00 crores issued by the erstwhile DPCL in two tranches was also listed at Bombay Stock Exchange Ltd., Mumbai (BSE). As on 31st March, 2017, there are no outstanding NCDs as it has been fully repaid as per the terms.

- Annual listing fees for the FY 2017-2018, as applicable, have been paid before due date to the concerned Stock Exchanges by the erstwhile DPCL.
- The erstwhile DPCL has also paid Annual custodial fees for the year 2017-2018 as applicable, to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- As on 31st March, 2017, there were 52417 shareholders of DPCL.

(g) Stock Code of Equity Shares of DPCL

Bombay Stock Exchange Ltd.	532526
National Stock Exchange of India Ltd.	'DISHMAN', 'EQ'
Group / Index	B/ S&P BSE 500
ISIN Number in NSDL & CDSL for Equity Shares	INE353G01020

(h) Market Price Data

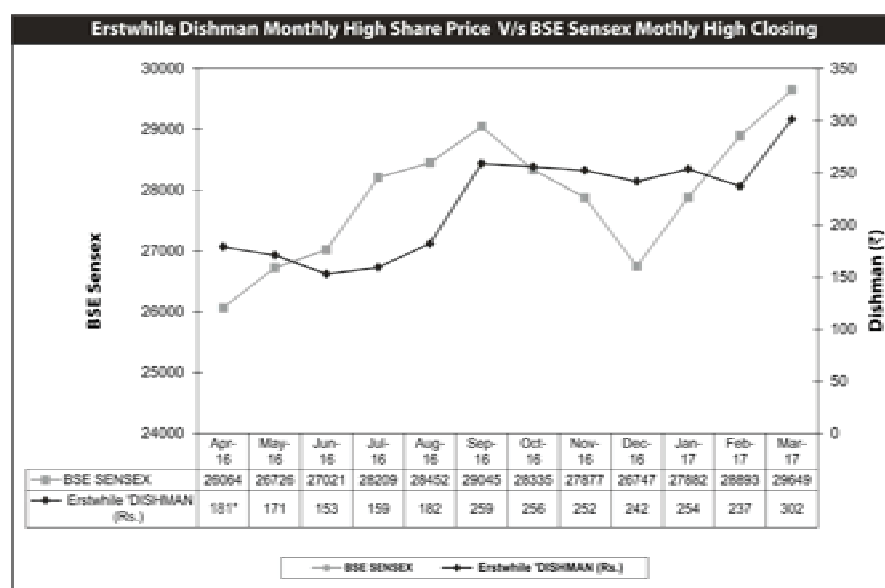
The table below sets forth, for the periods indicated, the Closing high and low, volume and total volume of trading activity on the BSE and NSE for the equity shares of the erstwhile DPCL.

Month Volume	NSE			BSE			Total (NSE & BSE)
	High	Low	Volume	High	Low	Volume	
Apr-16	360.25*	328.90*	1,254,328	361.00*	330.55*	211,519	1,465,847
May-16	171.05	151.55	3,065,002	171.05	151.60	577,216	3,642,218
Jun-16	153.30	132.15	939,099	153.00	132.10	250,747	1,189,846
Jul-16	156.55	132.90	4,076,331	159.35	132.15	875,870	4,952,201
Aug-16	182.15	158.30	5,414,678	181.85	158.15	1,196,129	6,610,807
Sep-16	259.35	171.50	9,605,996	259.00	171.30	1,716,379	11,322,375
Oct-16	255.45	227.35	6,006,453	255.85	227.60	1,154,160	7,160,613
Nov-16	251.30	226.20	3,574,885	252.35	226.75	664,854	4,239,739
Dec-16	241.85	204.05	1,439,684	241.80	203.40	228,145	1,667,829
Jan-17	253.35	220.45	4,190,641	253.65	220.05	778,237	4,968,878
Feb-17	237.65	208.20	3,069,814	237.10	208.20	711,941	3,781,755
Mar-17	302.55	221.65	13,628,604	301.50	222.05	2,559,921	16,188,525

*Price before issuance of Bonus Shares.

Corporate Governance Report (Contd.)

(i) Price Movement Chart of erstwhile DISHMAN V/s. BSE SENSEX



(j) Distribution of Shareholding Pattern as on 31st March, 2017 of erstwhile DPCL

No. of Equity Shares Held	No. of ShareHolders	% of ShareHolders	No. of EquityShares Held	% of totalHolding
1 - 500	45508	86.8192	6162888	3.8185
501 - 1000	3600	6.8680	2826003	1.7510
1001 - 2000	1652	3.1516	2552914	1.5818
2001 - 3000	533	1.0168	1371284	0.8496
3001 - 4000	266	0.5075	968542	0.6001
4001 - 5000	179	0.3415	846072	0.5242
5001 - 10000	308	0.5876	2321193	1.4382
10001 and Above	371	0.7078	144345376	89.4365
Total	52417	100.0000	161394272	100.0000

(k) Shareholding pattern as on March 31, 2017 of erstwhile DPCL

Sr. No.	Category	No. of Shares Held	% of Holding
1	Promoters	99096898	61.40
2	Mutual Fund & UTI	15450673	9.57
3	Bank, Financial Institutions (FI's), Insurance Companies	571646	0.35
4	Foreign Institutional Investors (FII's)	17613995	10.92
5	Private Bodies Corporate	5027753	3.12
6	Indian Public	20416823	12.65
7	Any Other		
	(i) Non Resident Indian	1082415	0.67
	(ii) HUF	843156	0.52
	(iii) Clearing Members	1223613	0.76
	(iv) Independent Directors & Relatives and their holding	67300	0.04
Total		161394272	100.00

Corporate Governance Report (Contd.)

(l) Dematerialization of Shares & Liquidity

The erstwhile DPCL's shares are in compulsory demat segment and as on 31st March, 2017, 161391939 equity shares of DPCL, forming 99.99% of the DPCL's paid-up equity share capital, is in dematerialized form.

Presently, DPCL's shares are easily traded on both the stock exchanges i.e. BSE and NSE. However, after fixing the Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger, the trading will be suspended by both the Stock Exchanges due to procedural purpose till the new shares to be allotted to the DPCL's shareholders get listed on both the Stock Exchanges.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company has no outstanding GDRs/ADRs/Warrants/Options or any convertible Instruments as on 31st March, 2017.

(n) Share Transfer System

All the shares related work is being undertaken by our RTA, Link Intime India Pvt. Ltd., Mumbai (Formerly known as Intime Spectrum Registry Limited). To expedite the process of share transfer, transmission, split, consolidation, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/ shareholders grievances are also taken-up by our RTA.

Erstwhile DPCL has obtained and filed with the Stock Exchange(s), the half yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and Clause 40(9) of SEBI (LODR) Regulations, 2015.

(o) Reconciliation of Share Capital Audit Report

The Reconciliation of Share Capital Audit Report of DPCL prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid-up capital of the Company were placed before the DPCL's Stakeholders Relationship Committee and Meeting of Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

(p) Registrar and Share Transfer Agent (RTA)

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S Marg,
Vikhroli West, Mumbai-400083
Tel. No. 91-22-49186000, Fax No.: 91-22-49186060
E mail: mumbai@linkintime.co.in

Branch Offices: Ahmedabad

506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road ,
Ellisebridge, Ahmedabad - 380 006
Tel No: 079-26465179; Fax No: 079-26465179; Email: ahmedabad@linkintime.co.in

Bangalore

543/A, 7th Main, 3rd Cross, Hanumanthnagar, Bangalore - 560 019 Telefax: 080-26509004 Email: bangalore@linkintime.co.in

Coimbatore

Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028, Tel:0422-2314792, Email: coimbatore@linkintime.co.in

Kolkata

59 C, Chowringhee Road, 3rd Floor, Kolkata-700020 Tel:033-22890540, Fax:033-22890539 Email: kolkata@linkintime.co.in

New Delhi

44- Community Centre, 2nd floor, Naraina Industrial Area, Phase-I, Near PVR, Naraina, New Delhi - 110 028 Tel:011-41410592/ 93/94, Fax: 011-41410591 Email: delhi@linkintime.co.in

Corporate Governance Report (Contd.)

Pune

Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001 Tel:020-26161629/26160084, Fax: 020-26163503 Email pune@linkintime.co.in

Vadodara

B Tower, 102 B and 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Nr. Radhekrishna Char Rasta, Akota, Vadodara 390020 Tel: 0265-2356573/2356794 Fax: 0265-2356791 Email: vadodara@linkintime.co.in

(q) Plant Location (Indian Operation)

- **Naroda Plant :**

Phase - IV, 1216/20, G.I.D.C. Estate, Naroda, Ahmedabad – 382 330. (Also other Plots in Phase-I and IV).

- **Bavla Plant :**

Survey No. 47, Paiki Sub Plot No. 1, Village - Lodariyal, Taluka- Sanand, District - Ahmedabad. (Also various other Adjacent Plots).

(r) Address of the Correspondence

For Share Transfers / Dematerialization or other queries relating to shares/debentures of the Company (RTA)

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S Marg,
Vikhroli West, Mumbai-400083
Tel. No. 91-22-4918 6000, Fax No.: 91-22-4918 6060
E mail: mumbai@linkintime.co.in

Company Address (Secretarial Department)

Dishman Carbogen Amcis Limited

Bhadr-Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad - 380 009.
Phone No.: 91-79-2644 3053, Fax No.: 91-79-2642 0198
Email: grievance@dishmangroup.com

Corporate Governance Report (Contd.)

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

Schedule V(D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015

This is to certify that the erstwhile Dishman Pharmaceuticals and Chemicals Limited and the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on March 31, 2017, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

Date : 16th May, 2017

Place : Ahmedabad

Janmejay R. Vyas
Chairman & Managing Director
DIN – 00004730

CERTIFICATE ON CORPORATE GOVERNANCE

[PURSUANT TO SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015]

To,
The Members
Dishman Carbogen Amcis Ltd.
[Formerly known as Carbogen Amcis (India) Limited and
after merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited]

The erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") has been merged into Dishman Carbogen Amcis Limited ("the company") w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Hence before merger being an unlisted company, requirements of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is not applicable to the company.

We have examined the compliance of condition of corporate governance by erstwhile DPCL for the year ended 31st March, 2017 as stipulated in the relevant provisions of Regulation 15(2) of the Listing Regulations.

The compliance of condition of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by DPCL for ensuring the compliance with the conditions of the corporate governance as stipulated in the Regulation 34 read with Schedule V of Listing Regulations. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For **Ashok P. Pathak & Co.**
Company Secretaries
UCN : S1997GJ020700

CS Ashok P. Pathak*
Proprietor
COP No. 2662

Place : Ahmedabad
Date : 16th May, 2017

*Associate Member (ACS No.9939) of the Institute of Company Secretaries of India, ICSI House, 22 Institutional Area, Lodhi Road, New Delhi-110003. website : www.icsi.edu

Independent Auditors' Report

To the Members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements")

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 state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and 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.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 28(i) of the Ind AS Financial Statements detailing the accounting treatment relating to the Scheme involving merger of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Company, which has been accounted during the year under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations (AS 14) in compliance with scheme of Amalgamation pursuant to Section 391 to 394 of Companies Act, 1956 approved by Hon'ble High Court of Gujarat. In accordance with the Scheme, the Company has recognized goodwill on amalgamation amounting to ₹ 1,326.86 Crores which is amortised over its useful life. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business Combinations'. Had the goodwill not been amortised as required under Ind AS 103, the Depreciation and Amortisation expense for the year ended March 31, 2017 would have been lower by ₹ 88.46 Crores and Profit before tax for the year ended March 31, 2017 would have been higher by an equivalent amount.

Our opinion is not modified in respect of above matter.

Independent Auditors' Report (Contd.)

Other Matter

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the joint auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated April 28, 2016 and May 19, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014; as referred to in the Emphasis of Matter paragraph above, the Company has given the accounting treatment of merger as per the Court approved Scheme in compliance with AS-14 "Accounting for Amalgamations" which is different from that prescribed under Ind AS-103 "Business Combinations"
 - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 29 on Contingent Liabilities to the standalone Ind AS financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 12 and Note 24 to the standalone Ind AS financial statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company - Refer Note 36 to the standalone Ind AS financial statements.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration No.110240W

Bhavik L. Shah
Partner
Membership No.122071
Place : Ahmedabad
Date : May 16, 2017

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 16, 2017

Independent Auditors' Report (Contd.)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) on the standalone Ind AS financial statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) Property, plant and Equipment of erstwhile DPCL were physically verified by the management in earlier year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information & explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as Property, Plant and Equipment in the books of account of the Company as on March 31, 2017 are held in the name of the erstwhile Dishman Pharmaceuticals and Chemicals Limited. Subsequent to merger, the transfer of immovable properties from Dishman Pharmaceuticals and Chemicals Limited into the name of the Company is under process. However, in respect of one lease hold land with gross block of ₹ 104.70 crores and net block of ₹ 101.29 crores, the lease deed has been executed but not registered with the relevant authorities.
- (ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) The erstwhile Dishman Pharmaceuticals and Chemicals Limited has granted unsecured loan in earlier years to one company covered in the register maintained under Section 189 of the Act whose outstanding balance as on March 31, 2017 is ₹ 38.06 Crore.
 - (a) According to the information and explanations given to us, the Company has not granted any loan during the year to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
 - (b) The schedule of repayment of principal and payment of interest in respect of above loan granted in earlier years has been stipulated. As per the terms of agreement, no repayment of principal or interest was due during the year.
 - (c) In respect of the aforesaid loan, no amount is overdue as per the terms of agreement.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

Independent Auditors' Report (Contd.)

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Service Tax	0.14	2003-04	High Court
		1.25	2006-07 2008-09 2009-10	Central Excise and Service Tax Appellate Tribunal
		2.51	2006-07 2008-09 to 2015-16	Commissioner of Central Excise (Appeals)
Central Sales Tax Act, 1956	Sales tax	0.24	2001-02	Joint Commissioner, Commercial Tax
		1.18	2006-07	Commercial Tax Gujarat VAT Tribunal
Gujarat Sales Tax, Act	Sales tax	1.43	2001-02, 2007-08	Joint Commissioner, Commercial Tax
		1.46	2006-07	Commercial Tax Gujarat VAT Tribunal
Income Tax Act, 1961	Demand U/S - 143(3)	1.09	FY 2001-02	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3)	2.79	FY 2002-03	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3)	1.46	FY 2003-04	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3)	3.54	FY 2004-05	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	14.58	FY 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 271(1) (C)	3.04	FY 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	14.58	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 271(1) (C)	4.73	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	8.42	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	0.24	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 271(1) (C)	0.47	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.147	1.53	FY 2009-10	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.147	20.18	FY 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.147	37.93	FY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	26.70	FY 2012-13	Commissioner of Income Tax (Appeals)

Out of the above, amount paid under protest by the Company for Income-tax is ₹ 42.88 Crore.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of term loans during the year for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, the erstwhile Dishman Pharmaceuticals and Chemicals Limited has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act as applicable to it – Refer Note 28(v) to the standalone Ind AS financial statements.

Independent Auditors' Report (Contd.)

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- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable.
- The details of related party transaction have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standards (Ind AS) 24, Related party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration No.110240W

Bhavik L. Shah
Partner
Membership No.122071
Place : Ahmedabad
Date : May 16, 2017

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 16, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) on the standalone Ind AS financial statements for the year ended March 31, 2017]

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 Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) ("the Company") as of March 31, 2017 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 ("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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial

Independent Auditors' Report (Contd.)

Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 standalone Ind AS 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 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the 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 ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration No.110240W

Bhavik L. Shah
Partner
Membership No.122071
Place : Ahmedabad
Date : May 16, 2017

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 16, 2017

Balance Sheet

as at 31st March, 2017

		(₹ in crores)		
Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	797.71	-	-
(b) Capital work-in-progress	2	29.20	-	-
(c) Goodwill	3	1,127.84	-	-
(d) Other intangible assets	3	1.53	-	-
(e) Intangible assets under development		11.35	-	-
(f) Financial assets				
i. Investments	4(a) (i)	2,593.82	-	-
ii. Loans	4(c)	40.23	-	-
iii. Others	4(e)	0.46	-	-
(g) Deferred tax assets (Net)	5	-	-	-
(h) Other non-current assets	6	165.19	-	-
Total non-current assets		4,767.33	-	-
Current assets				
(a) Inventories	7	151.80	-	-
(b) Financial assets				
i. Investments	4(a) (ii)	167.37	-	-
ii. Trade receivables	4(b)	71.18	-	-
iii. Cash and cash equivalents	4(d) (i)	29.86	0.58	0.00
iv. Bank balances other than (iii) above	4(d) (ii)	10.45	0.02	0.01
v. Loans	4(c)	35.27	-	-
vi. Others	4(e)	55.80	10.81	12.14
(c) Current tax Assets (Net)	8	72.94	-	0.15
(d) Other current assets	9	174.86	0.71	-
Total current assets		769.52	12.11	12.31
Total assets		5,536.85	12.11	12.31
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10(a)	-	0.05	0.05
(b) Other equity	10(b)	4,770.74	0.28	(0.61)
		4,770.74	0.33	(0.56)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
i. Borrowings	11(a)	144.62	8.98	10.26
ii. Trade Payables	11(c)	-	-	-
iii. Other financial liabilities	11(d)	-	-	-
(b) Provisions	12	6.59	-	-
(c) Deferred tax liabilities (Net)	13	95.68	-	-
(d) Other non-current liabilities	14	118.06	-	-
Total non-current liabilities		364.95	8.98	10.26
Current liabilities				
(a) Financial liabilities				
i. Borrowings	11(b)	256.31	-	-
ii. Trade payables	11(c)	58.14	-	-
iii. Other financial liabilities	11(d)	50.59	-	0.05
(b) Other current liabilities	15	34.86	2.65	2.56
(c) Provisions	12	1.26	0.15	-
Total current liabilities		401.16	2.80	2.61
Total liabilities		766.11	11.78	12.87
Total equity and liabilities		5,536.85	12.11	12.31

Significant accounting policies
The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla
Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director

Arpit J. Vyas
Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas
Whole Time Director

Shrimali Dave
Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2017

				(₹ in crores)
Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016	
Revenue				
(a) Revenue from operations	16	451.49	6.81	
(b) Other income	17	70.80	0.32	
Total income		522.29	7.13	
Expenses				
(a) Cost of materials consumed	18(a)	139.41	-	
(b) Purchases of stock-in-trade		13.14	-	
(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(b)	(10.48)	-	
(d) Employee benefit expense	19	66.76	-	
(e) Finance costs	20	39.17	0.99	
(f) Depreciation and amortisation expense	21	135.85	-	
(g) Other expenses	22	94.53	5.13	
Total expenses		478.38	6.12	
Profit before exceptional items and tax		43.91	1.01	
Exceptional items		-	-	
Profit before tax		43.91	1.01	
Tax expense	23			
(a) Current tax		9.58	0.19	
(b) Deferred tax		10.09	(0.08)	
Profit after tax		24.24	0.89	
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit plans		(0.57)	-	
(b) Income Tax effect		0.20	-	
(c) Equity Instruments designated through other comprehensive income		(0.84)	-	
(d) Income Tax effect		1.34	-	
Other Comprehensive Income for the year, net of tax		0.13	-	
Total Comprehensive Income for the year		24.37	0.89	
Earnings per equity share of face value of ₹ 2/- each				
(a) Basic earnings per share (in ₹)	33	1.50	35.69	
(b) Diluted earnings per share (in ₹)	33	1.50	35.69	
Significant accounting policies	1			

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah

Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.

Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla

Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas

Chairman & Managing Director

Arpit J. Vyas

Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas

Whole Time Director

Shrima Dave

Company Secretary

Cash Flow Statement

for the year ended 31st March, 2017

Particulars	(₹ in crores)	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Profit before tax	43.91	1.01
Adjustments for		
Depreciation and amortisation expense	135.85	-
Loss /(Gain) on Sale of Investments	(3.24)	-
Loss on disposal of property, plant and equipment	0.38	-
Unrealised Foreign Exchange Loss / (Gain)	(25.51)	-
Mark to Market gain on forward contracts	(19.30)	-
Interest Income	(7.84)	(0.28)
Dividend Income	(35.37)	-
Interest Expenses	39.17	0.99
Provision for doubtful debts and advances	0.45	-
	128.50	1.72
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/Decrease in trade receivables	23.86	-
(Increase)/Decrease in loans and advances	57.20	0.78
(Increase)/Decrease in inventories	(13.81)	-
Increase/ (Decrease) in trade payables and provisions	111.84	0.19
Cash generated from operations	307.59	2.69
Income taxes paid	(37.21)	(0.12)
Net cash inflow from operating activities	270.38	2.57
Cash flows from investing activities		
Purchase of property, plant and equipment	(100.57)	-
Proceeds from sale of property, plant and equipment	0.31	-
Sale of investments	7.14	-
Loans and Advances Given to related parties(Net)	32.25	-
Balance Held as Margin Money	(1.49)	-
Dividends received	35.37	-
Interest received	7.84	0.28
Net cash outflow from investing activities	(19.16)	0.28

Cash Flow Statement (Contd.)

for the year ended 31st March, 2017

Particulars	(₹ in crores)	
	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Cash flows from financing activities		
Proceeds from borrowings	135.00	
Repayment of borrowings	(292.23)	(1.29)
Proceeds / (Repayment) from short term borrowings (net)	(6.92)	-
Expenses for increase in authorised share capital	(1.30)	-
Interest paid	(40.56)	(0.99)
Dividends paid to company's shareholders	(19.37)	-
Net cash inflow (outflow) from financing activities	(225.38)	(2.28)
Net increase (decrease) in cash and cash equivalents	25.85	0.57
Cash and cash equivalents at the beginning of the financial year	0.58	0.01
Cash and cash equivalents of account of merger	3.27	-
Effects of exchange rate changes on cash and cash equivalents	0.16	-
Cash and cash equivalents at end of the year	29.86	0.58
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balances with banks		
- in current accounts	29.22	0.58
- in EEFC accounts	0.53	-
Cash on hand	0.11	0.00
Total cash and cash equivalents	29.86	0.58

Note:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The amalgamation of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Company, being a non cash transaction, has no impact on the Company's cash flow for the year. (Refer Note No. 28(ii))

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah

Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.

Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla

Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas

Chairman & Managing Director

Arpit J. Vyas

Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas

Whole Time Director

Shrima Dave

Company Secretary

Statement of changes in equity

for the year ended 31st March, 2017

A. Equity share capital

(₹ in crores)

Particulars	31 March 2017		31 March 2016		01 April 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	2,50,000	0.05	50,000	0.05	50,000	0.05
Add: Issued during the year-Change in face value per share from ₹ 10 to ₹ 2	-	-	2,00,000	-	-	-
Less: Cancelled on account of merger (Refer Note No. 28(i))	(2,50,000)	(0.05)	-	-	-	-
Balance at the end of the reporting period	-	-	2,50,000	0.05	50,000	0.05

Statement of Changes in Equity

(₹ in crores)

Particulars	Shares suspense account	Capital Reserve	Reserves and Surplus				Total
			Securities Premium Reserve	General Reserve	Debenture redemption reserve	Retained Earnings	
Balance as on 01.04.2015	-	-	-	-	-	(0.61)	(0.61)
Profit/ (Loss) for the year	-	-	-	-	-	0.89	0.89
Other comprehensive income for the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	0.89	0.89
Dividend paid	-	-	-	-	-	-	-
Balance as on 31.03.2016	-	-	-	-	-	0.28	0.28
Profit/ (Loss) for the year	-	-	-	-	-	24.24	24.24
Other comprehensive income for the year	-	-	-	-	-	0.13	0.13
Total Comprehensive Income for the year	-	-	-	-	-	24.37	24.37
Interim Dividend paid by DPCL (Refer Note No. 28(iii))	-	-	-	-	-	(19.37)	(19.37)
Acquired on merger (Refer Note No. 28(ii))	-	-	-	-	-	(27.10)	(27.10)
Expenses debited for increase in authorised share capital	-	-	-	-	-	(1.30)	(1.30)
Issue of bonus shares by DPCL (Refer Note No. 28(ii))	-	-	-	-	-	(16.14)	(16.14)
Shares to be issued to shareholders of DPCL (Refer Note No. 28(ii))	4,810.00	-	-	-	-	-	4,810.00
Balance as on 31.03.2017	4,810.00	-	-	-	-	(39.26)	4,770.74

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah

Partner
Membership No. 122071

Place : Ahmedabad

Date : 16th May, 2017

For V. D. Shukla & Co.

Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla

Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Jamejay R Vyas

Chairman & Managing Director

Arpit J. Vyas

Managing Director & CFO

Place : Ahmedabad

Date : 16th May, 2017

Dechoti J Vyas

Whole Time Director

Shrima Dave

Company Secretary

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1.0 Background of the Company

Dishman Carbogen Amcis Limited (CIN: U74900GJ2007PLC051338) is a public company limited by shares incorporated on 17th July, 2007 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat and is engaged in Contract Research and Manufacturing Services (CRAMS) and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants. The equity shares of Dishman Pharmaceuticals and Chemicals Limited are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges"). With regard to merger of DPCL with the Company refer note 28 to the Standalone Financial Statements.

2.0 Significant accounting policies

2.1 Basis of Preparation

The Financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention and on accrual basis of accounting unless stated otherwise. GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (The 'Act'), pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied to all the years presented.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2015.

2.2 Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) and other relevant provisions of the Act.

2.3 Inventories

Inventories are valued at cost as per moving weighted average price or net realisable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Inventories of stores and spare parts are valued at cost.

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

2.4 Property, plant and equipment

Freehold land is carried at historical cost and not depreciated. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-cenvatable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located. Properties in the course of construction are carried at cost, less any recognised impairment loss. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on the subsequent cost capitalisation are depreciated over the remaining useful life of the assets.

Depreciation has been provided on straight line method and in the manner specified in Schedule II of the Companies Act, 2013 based on the useful life specified in Schedule II except where management estimate of useful life is different.

The useful lives have been determined based on technical evaluation done by the management's expert taking into account the nature of the asset, past history of replacement, anticipated technology changes etc, which are different than those specified by Schedule II to the Companies Act; 2013 are given below:-

Assets	Estimated useful life
Plant and Machinery	20/ 13/ 10 years
Electrical Installation	15 years
Laboratory Equipment	20/ 13/ 10 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.5 Goodwill and Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

In respect of business combination that occurred prior to transition date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increase the future economic benefits embodied in the specific assets to which it relates. All other expenditure are recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Estimated useful life
Copyrights, patents and intellectual property rights	5 years
Computer Software	5 years

Goodwill arising on merger of Dishman Pharmaceuticals and Chemicals Ltd (DPCL) with the Company has been recognised as per the Court scheme. Said Goodwill has been amortised in accordance with the Court scheme for which the Company has estimated useful life of 15 years.

Internally generated intangible asset: Research and Development

Expenditure on research activity is recognised as expense in the period in which it is incurred. An internally generated intangible asset arising from development is recognised, if any only if, all of the following conditions have been fulfilled:

- Development costs can be measured reliably
- The product or process is technically and commercially feasible. Future economic benefits are probable and
- The Company intends to and has sufficient resources to complete development and to use or sell the asset.

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2.6 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

2.7 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.8 Impairment of non-financial assets

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

2.9 Foreign Currency translation

Functional and Presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are initially recognised in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign exchange differences regarded as an adjustment to the borrowing cost are presented in the Statement of profit or loss with in finance cost. All other foreign currency differences arising on translation are recognised in statement of profit and loss on net basis with in other gain/ (losses).

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are net of returns, trade discount, rebates, sales tax and value added taxes.

Sale of goods

Revenue from sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards varied depending on the individual terms of the sales agreement.

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Sales of services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion of the contract is determined based on actual service provided as a proportion of the total service to be provided. Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Dividend and interest income

Dividend is recognised as income when the shareholder's right to receive payment has been established (provided that 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 time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives

Duty drawback and Focus marketing scheme (FMS) benefits are recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognized as and when goods are imported against them.

2.11 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

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2.12 Taxation

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

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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.

Deferred tax

Deferred tax is recognised 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all 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 (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised 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 asset to be recovered.

Deferred tax liabilities and assets 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 reflects 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.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such setoff.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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.

2.13 Leases

Finance lease

Leases where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

(i) Classification, recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance income. Any gain and loss on derecognition of the financial instrument measured at amortised cost recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement. Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method. On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.

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	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which arise.	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Change in fair value of such instrument are recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments are however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement.

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Impairment:

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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward- looking estimates are analysed.

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(iii) Derecognition of financial assets:

A financial asset is derecognised only when

- (a) the company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) Foreign exchange gain or losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss except for those which are designated as hedging instruments in the hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purpose of recognising foreign exchange gain and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(v) Investments in Subsidiaries:

The Company has availed an option stated under Ind AS 101 and measured investments in equity instruments of subsidiaries at Cost as per Ind AS 27. The Carrying amount is reduced to recognise impairment, if any, in value of investments.

B. Financial liabilities and equity instruments :

Debt and equity instruments issued by a entity 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.

Classification, recognition and measurement:

(a) Equity Instruments:

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

(b) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories :

- at amortised cost
- at fair value through profit or loss (FVTPL)

(i) Financial liabilities at amortised cost:

The company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others

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- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

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 gains and losses' line item.

Derecognition:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(c) Financial guarantees contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

C. Derivative financial instruments :

Foreign exchange forward contracts are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. Derivative contracts which do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through profit or loss. Gain or loss arising from changes in the fair value of the derivative contracts are recognised in profit or loss. Gain or loss arising on forward contract relating to forecast sales are included under Other Operating Income in the Statement of Profit and Loss.

D. Offsetting financial instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Fair value measurement:

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.16 Provisions and Contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

2.17 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

2.18 Cash and cash equivalent:

Cash and cash equivalent in the balance sheet comprises cash at bank 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.19 Dividend distribution to equity shareholders:

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

2.20 Earnings per share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.21 Current/ Non-current classification:

An assets is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or

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- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

2.22 Ind AS Standard not yet notified:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable to the company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is currently not having any cash settled share based payments. No impact is currently foreseen.

2.23 Significant accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- a. **Useful lives of property, plant and equipment and Goodwill:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether an asset may be capitalised and which components of the cost of the assets may be capitalised. The goodwill recorded on merger has been amortised based on its estimated benefit / estimated useful life of 15 years.

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- b. Arrangement containing lease:** At the inception of an arrangement whether the arrangement is or contain lease. At the inception or reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are not in the nature of leases.
 - c. Service Income:** The Company uses the percentage of completion method in accounting for its fixed price contract. Use of percentage of completion requires the Company to estimate the service performed to date as a proportion of the total service to be performed. Determination of the stage of completion is technical matter and determined by the management experts.
 - d. Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.
 - e. Defined benefit plan:** The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
 - f. Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
 - g. Allowances for inventories:** Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.
 - h. Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.
 - i. Taxation:** Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.]
 - j. Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

(₹ in crores)

Note 2: Property, plant and equipment

Particulars	Free hold land	Lease hold land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office equipment & Computer & Printers	Electrical Installations	Laboratory Equipments	Total	Capital work-in-progress
Year ended 31 March 2016											
Gross carrying amount											
Deemed cost as at 1 April 2015	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation											
Depreciation charge during the year	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-	-	-	-	-
Year ended 31 March 2017											
Gross carrying amount											
Opening gross carrying amount	-	-	-	-	-	-	-	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	137.23	132.61	94.62	432.61	5.83	7.40	2.85	50.29	20.91	884.34	20.71
Additions during the year	-	-	1.43	9.91	-	5.76	1.13	1.39	1.27	20.88	15.89
Disposals	-	-	-	(0.70)	-	(0.07)	(0.05)	-	-	(0.81)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(7.40)
Closing gross carrying amount	137.23	132.61	96.05	441.82	5.83	13.09	3.93	51.68	22.18	904.41	29.20
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	-	1.90	4.88	39.71	2.38	1.74	0.56	5.61	3.04	59.82	-
Depreciation charge during the year	-	1.52	4.05	32.09	0.67	1.70	0.50	4.84	1.63	47.01	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(0.07)	-	(0.05)	(0.01)	-	-	(0.13)	-
Closing accumulated depreciation and impairment	-	3.42	8.93	71.74	3.05	3.38	1.05	10.44	4.67	106.69	-
Net carrying amount	137.23	129.19	87.11	370.08	2.78	9.71	2.88	41.24	17.51	797.71	29.20

Note:

- Property, plant & Equipment pledged as a security:
Refer Note 11(a) for information on Property, plant & Equipment pledged as a security by the Company
- Contractual Obligation
Refer Note 30 for disclosure of Contractual Obligation for the acquisition of Property, plant & Equipment.

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Note 3: Intangible assets

(₹ in crores)

Particulars	Computer software	Copyrights, patents & other Intellectual property rights, services and operating rights	Total	Goodwill
Year ended 31 March 2016				
Gross carrying amount				
Deemed cost as at 1 April 2015	-	-	-	-
Additions	-	-	-	-
Closing gross carrying amount	-	-	-	-
Accumulated amortisation				
Amortisation charge for the year	-	-	-	-
Closing accumulated amortisation	-	-	-	-
Closing net carrying amount	-	-	-	-
Year ended 31 March 2017				
Gross carrying amount				
Opening gross carrying amount	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	1.37	0.78	2.15	1,326.86
Additions	0.34	-	0.34	-
Closing gross carrying amount	1.71	0.78	2.49	1,326.86
Accumulated amortisation and impairment				
Opening accumulated amortisation	-	-	-	-
Addition on Acquisition (Refer Note No. 28(i))	0.27	0.30	0.57	110.56
Amortisation charge for the year	0.32	0.07	0.39	88.46
Impairment charge	-	-	-	-
Closing accumulated amortisation and impairment	0.59	0.37	0.96	199.02
Closing net carrying amount	1.12	0.41	1.53	1,127.84

Goodwill

The goodwill at each CGU level (acquisition on account of merger of erstwhile DPCL) is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using the net present value of the projected post-tax cashflows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Key assumptions used in the value in use calculations

The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminal growth rate thereafter of 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable.

Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 10.9% for the year ended March 31, 2017.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2017.

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Note 4: Financial assets

4 (a) (i) Non-current investments

(₹ in crores)

Particulars	% of holding	31 March 2017	31 March 2016	1 April 2015
Investment in equity instruments (fully paid-up)				
A) Quoted				
(i) Investment in Quoted Equity shares carried at Fair value through Other Comprehensive Income				
(a) Bank of India (March 31, 2017: 2,100 equity shares of Face value of ₹ 10/- each fully paid up)		0.03	-	-
B) Unquoted				
(i) Investment in wholly owned subsidiaries carried at cost				
(a) Dishman Europe Ltd. (March 31, 2017: 1,59,000 equity shares of Face value of GBP 1/- each fully paid up)	100	364.00	-	-
(b) Dishman Australasia Pty Ltd. (March 31, 2017: 1,00,000 equity shares of Face value of AUD 1/- each fully paid up)	100	0.38	-	-
(c) Dishman International Trade (Shanghai) Co. Ltd. (No. of Shares not specified)	100	7.00	-	-
(d) Dishman USA Inc. (March 31, 2017: 3,00,000 equity shares of Face value of USD 1/- each fully paid up)	100	16.00	-	-
(e) Dishman Switzerland Ltd. (March 31, 2017: 10,30,000 equity shares of Face value of CHF 1/- each fully paid up)	100	3.57	-	-
(f) CARBOGEN AMCIS Holding AG (formerly known as Dishman Pharma Solutions AG) (March 31, 2017: 2,80,00,000 equity shares of Face value of CHF 1/- each fully paid up)	100	2,155.00	-	-
(g) Dishman Cabogen Amcis (Singapore) Pte Ltd. (March 31, 2017: 10 equity shares of Face value of SGD 1/- each fully paid up)	100	0.00	-	-
(h) Dishman Middle East FZE (March 31, 2017: 6 equity shares of Face value of AED 1,50,000/- each fully paid up)	100	2.00	-	-
(i) Dishman Japan Ltd. (March 31, 2017: 2,992 equity shares of Face value of JPY 50,000/- each fully paid up)	100	6.25	-	-
(ii) Investment in other entities which are carried at Fair value through Other Comprehensive Income				
(a) CAD Middle East Pharmaceuticals Industries LLC (March 31, 2017: 21,900 equity shares of Face value of SAR 1,000/- each fully paid up)	10.95	39.56	-	-
(b) Nami Trading Co-FZE LLC (March 31, 2017: 15 equity shares of Face value of AED 1,000/- each fully paid up)	-	0.03	-	-

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4 (a) (i) Non-current investments (Contd.)					(₹ in crores)
Particulars	% of holding	31 March 2017	31 March 2016	1 April 2015	
(c) Stuti(Ambawadi) Owners' Association (March 31, 2017: 30 equity shares of Face value of ₹ 100/- each fully paid up)	-	0.00	-	-	
(d) Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (March 31, 2017: 50 equity shares of Face value of ₹ 50/- each fully paid up)	-	0.00	-	-	
Total (equity instruments)		2,593.82	-	-	
Total non-current investments		2,593.82	-	-	
Aggregate amount of quoted investments and market value thereof		0.03	-	-	
Aggregate amount of unquoted investments- book value/ market value		2,593.79	-	-	
Aggregate amount of impairment in the value of investments		-	-	-	
1. All the above shares have been acquired by the Company at fair value as on 01.01.2015 on account of merger of Dishman Pharmaceuticals and Chemicals Ltd. with the Company except Dishman Cabogen Amcis (Singapore) Pte Ltd. which was formed by the Company as 100% subsidiary during the year.					
2. Equity Shares designated as at Fair value through Other Comprehensive Income: At 1st April, 2016 the Company designated the investments shown below as equity shares at Fair value through Other Comprehensive Income because these equity shares represent investments that the Company intends to hold for long term strategic purpose.					
					(₹ in crores)
Particulars		Fair value as at 31-03-2017	Fair value as at 01-04-2015	Acquired on merger of DPCL	
1. CAD Middle East Pharmaceuticals Industires LLC		39.56	40.40	36.73	
2. Nami Trading Co-FZE LLC		0.03	0.03	0.03	
3. Bank of India		0.03	0.02	0.04	
					(₹ in crores)
4 (a) (ii) Current investments					
		31 March 2017	31 March 2016	1 April 2015	
Investment in equity instruments (fully paid-up)					
Unquoted					
Investments in wholly owned subsidiary carried at cost					
CARBOGEN AMCIS (Shanghai) Co. Ltd. (No. of shares not specified)		167.37	-	-	
Total current investments		167.37	-	-	
1. All the above shares have been acquired by the Company at fair market value as on 01.01.2015 on account of merger of Dishman Pharmaceuticals and Chemicals Ltd. with the Company					
					(₹ in crores)
4(b) Trade receivables					
Unsecured, Considered good		86.64	-	-	
Less: Allowances as per expected credit loss model (Refer Note No. 25)		(15.46)	-	-	
		71.18	-	-	
Unsecured, Considered doubtful		0.46	-	-	
Less: Allowance for doubtful debts		(0.46)	-	-	
		-	-	-	
Total receivables		71.18	-	-	

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			(₹ in crores)
	31 March 2017	31 March 2016	1 April 2015
1. Of the above, trade receivables from related parties are as below:			
Trade Receivables (Refer Note No. 31)	57.11	-	-
Less: Allowance for doubtful Debt	-	-	-
	57.11	-	-
2. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person			
3. Trade receivable due from private companies in which any director is a partner, director or a member is ₹ 1.21 Crores (March 2016: Nil, 1 April 2015: Nil)			
4. Trade receivable are non- interest bearing and are generally on credit terms in the range of 30 to 120 days.			
5. The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 25.			
6. For receivables secured against borrowings see Note 11 (a).			

						(₹ in crores)
Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good						
Loan to related parties (Refer Note 31)	23.23	39.05	-	-	-	-
Loan to employees	0.36	-	-	-	-	-
Others	11.68	1.18	-	-	-	-
Total loans	35.27	40.23	-	-	-	-

Note: Of the above, loan amounting to ₹ 61.29 Crores is given to the Companies in which Company's Director is also a director.

				(₹ in crores)
Particulars	31 March 2017	31 March 2016	1 April 2015	
Balances with banks				
- in current accounts	29.22	0.58	-	
- in EEFC accounts	0.53	-	-	
Deposits with maturity of less than three months	-	-	-	
Cheques, drafts on hand	-	-	-	
Cash on hand	0.11	0.00	0.00	
Total cash and cash equivalents	29.86	0.58	0.00	

				(₹ in crores)
Particulars	31 March 2017	31 March 2016	1 April 2015	
(a) Earmarked balances with banks for:				
(i) Unpaid Dividend	0.08	-	-	
(ii) Balances held as margin money or security against borrowings, guarantees and other commitments	10.35	-	-	
(b) In other deposit account	0.02	0.02	0.01	
	10.45	0.02	0.01	

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4 (e) Other financial assets (₹ in crores)						
Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good unless otherwise stated						
(a) Fixed deposits having maturity of more than one year	-	0.45	-	-	-	-
(b) Insurance claims	-	0.01	-	-	-	-
(c) Interest Receivable	20.06	-	-	-	-	-
(d) Guarantee Commission Receivable	16.03	-	-	-	-	-
(e) Advances & Recoverables	19.30	-	10.81	-	12.14	-
(f) Security Deposits	0.41	-	-	-	-	-
Total other financial assets	55.80	0.46	10.81	-	12.14	-

Note 5 : Deferred tax assets (Net) (₹ in crores)			
Particulars	31 March 2017	31 March 2016	1 April 2015
MAT Credit receivable	-	-	-
Total deferred tax assets	-	-	-
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-
Net deferred tax assets	-	-	-

Note 6: Other non-current assets (₹ in crores)			
Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured considered good, unless otherwise stated			
(a) Capital advances			
Considered Good	151.73	-	-
Considered Doubtful	3.10	-	-
	154.83	-	-
Less: Provision for doubtful advances	(3.10)	-	-
	151.73	-	-
(b) Recoverable from Sales tax & Excise authorities	13.47	-	-
Total other non-current assets	165.19	-	-

Note 7 : Inventories (At lower of cost and net realisable value) (₹ in crores)			
Particulars	31 March 2017	31 March 2016	1 April 2015
(a) Raw materials	51.52	-	-
(b) Work-in-progress	74.77	-	-
(c) Finished goods	20.78	-	-
(d) Stores and spares	4.73	-	-
Total inventories	151.80	-	-

Note:

- For Inventories pledged as securities against borrowings, see Note 11 (a)

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Note 8 : Current tax assets (Net) (₹ in crores)			
Particulars	31 March 2017	31 March 2016	1 April 2015
Advance Payment of Income tax (Net of Provision)	72.94	-	0.15
Total Current tax assets (Net)	72.94	-	0.15

Note 9: Other current assets (₹ in crores)			
Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured considered good, unless otherwise stated			
(a) Advances other than Capital advances			
(i) Prepaid Expenses	3.09	-	-
(ii) Advances & recoverables			
Considered Good	157.89	-	-
Considered Doubtful	0.15	-	-
	158.04	-	-
Less: Provision for doubtful advances and recoverables	(0.15)	-	-
	157.89	-	-
(b) Recoverable from Service Tax & Excise authorities	13.87	0.71	-
Total other current assets	174.86	0.71	-

Note 10: Equity share capital and other equity

10 (a) Equity share capital

Authorised equity share capital

Particulars	Number of shares	(₹ in crores)
As at 1 April 2015	10,00,000	1.00
As at 31 March 2016 Conversion / split of shares (Converted from ₹ 10/- each to ₹ 2/- each)	50,00,000	1.00
Increase on account of merger (Refer Note No. 28 (i))	16,52,50,000	33.05
As at 31 March 2017	17,02,50,000	34.05

(i) Issued and subscribed share capital

Particulars	Number of shares	Face Value	Equity share capital (par value) (₹ in crores)
As at 1 April 2015	50,000	10	0.05
As at 31 March 2016 Conversion / split of shares (Converted from ₹ 10/- each to ₹ 2/- each)	2,50,000	2	0.05
Cancelled on account of merger (Refer Note No. 28 (i))	(2,50,000)	2	(0.05)
As at 31 March 2017*		-	

* The Company has not yet allotted the equity shares to shareholders of DPCL pursuant to Scheme of Merger till 31.03.2017.

(ii) Shares of the company held by holding/ultimate holding company

Particulars	31 March 2017	31 March 2016	1 April 2015
Dishman Pharmaceuticals and Chemicals Limited	-	2,50,000	50,000

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(iii) Details of shareholders holding more than 5% shares in the company

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non- current
	Number of shares	%holding	Number of shares	%holding	Number of shares	%holding
Dishman Pharmaceuticals and Chemicals Ltd.	-	-	2,50,000	100	50,000	100

(iv) The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. All shares rank equally with regard to the Company's residual assets.

(v) During the year on February 13, 2017, the Board of Directors of DPCL has declared and paid Interim Dividend of ₹ 1.20 per share on 16,13,94,272 equity shares which has been accounted for by the Company in its retained earnings.

(vi) The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL") and Dishman Care Ltd. ("DCL") with Carbogen Amcis (India) Ltd. ("CAIL") in terms of the provisions of Section 391 to 394 of the Companies Act, 1956 ("Scheme"). On March 27, 2017, the name of CAIL has been changed to DCAL. Upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL will stand cancelled. The Company is in process of fixing Record Date for allotment of equity shares of DCAL to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and thereafter the new shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

10 (b) Other Equity

(₹ in crores)

Particulars	31 March 2017	31 March 2016	1 April 2015
(a) Shares suspense account	4,810.00	-	-
(b) Capital Reserve	-	-	-
(c) Securities Premium Reserve	-	-	-
(d) General Reserve	-	-	-
(e) Debenture redemption reserve	-	-	-
(f) Surplus/(Deficit) in Statement of Profit and Loss	(39.39)	0.28	(0.61)
(g) Other Comprehensive Income	0.13	-	-
Total reserves and surplus	4,770.74	0.28	(0.61)

Movement in Reserves

(i) Retained earnings

Particulars	31 March 2017	31 March 2016
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	0.28	(0.61)
Add: Net profit for the year	24.24	0.89
Less: Interim dividend on equity shares of DPCL (amount paid per share Rs 1.20)	(19.37)	-
Less: Issue of bonus shares by DPCL (Refer Note No. 28(ii))	(16.14)	-
Less: Expenses debited for increase in authorised share capital	(1.30)	-
Add: Acquired on merger (Refer Note No. 28 (i))	(27.10)	-
Closing balance	(39.39)	0.28

Retained earnings represents surplus/ accumulated earnings of the Corporation and are available for distribution to shareholders.

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(ii) Shares Suspense account

The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL") and Dishman Care Ltd. ("DCL") with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956. The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 Sanctioned the Scheme. The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e, Share Exchange Ratio, fixed under the Scheme and therefore till such time the shares are being issued to the shareholders, the said amount including premium is shown as Shares suspense account.

Note 11: Financial liabilities

(₹ in crores)

11 (a) Non-current borrowings

Particulars	Note	31 March 2017	31 March 2016	1 April 2015
Secured				
Term loans				
From banks				
Rupee Currency Loan	(a) (i)	32.60	-	-
Foreign currency loan	(a) (ii)	111.38	-	-
Long-term maturities of Hire purchase obligations	(b)	0.64	-	-
Unsecured				
Term loans				
From Banks		-	-	-
From Related Party	(c)	-	8.98	10.26
Total non-current borrowings		144.62	8.98	10.26

Note:

(₹ in crores)

(a) (i) Term loans from Bank in Rupee currency

Name of the bank	Terms of repayment and security	31 March 2017	31 March 2016	1 April 2015
State bank of India	The term loan is secured by first pari-passu charge on the Company's fixed assets including mortgage over land & Buildings and Hypothecation of plant & machinery at Bavla unit alongwith existing term lenders and second pari-passu charge on the entire current assets including stocks of RM, WIP and FG and receivables of the Company ranking pari passu with other consortium lenders, repayable in 36 monthly installment starting from June 2017 and ending on May 2020.	1.12	-	-
HDFC Bank Ltd.	The Term Loan is secured by Charge on Dishman Corporate House property, Ambli Road, Opp. Annapurna Farm House, Satelite Area, Ahmedabad. Repayable in 17 equal quarterly installments starting from March 2018 ending on March 2022.	31.47	-	-
Total Term loans from Bank in Rupee currency		32.60	-	-

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(a) (ii) Term loans from Bank in foreign currency		(₹ in crores)		
Name of the bank	Terms of repayment and security	31 March 2017	31 March 2016	1 April 2015
Bank of Baroda	The Corporate Loan is secured by first Pari-passu charge on the Company's immovable and movable fixed assets at Bavla unit and second charge on SEZ land of M/s Dishman Infrastructure Ltd and Corporate Guarantee of M/s Dishman Infrastructure Ltd, repayable in 24 quarterly installment starting from June 2015 in ballooning fashion and ending on 31 March 2021.	47.54	-	-
State bank of India	The term loan is secured by first pari-passu charge on the Company's fixed assets including mortgage over land & Buildings and Hypothecation of plant & machinery at Bavla unit alongwith existing term lenders and second pari-passu charge on the entire current assets including stocks of RM, WIP and FG and receivables of the company ranking pari passu with other consortium lenders, repayable in 36 monthly installment starting from June 2017 and ending on May 2020.	63.85	-	-
Total term loans from banks in foreign currency		111.38	-	-

(b) Long-term maturities of Hire purchase obligations

Name of the bank	Terms of repayment and security	31 March 2017	31 March 2016	1 April 2015
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	0.12	-	-
HDFC Bank Ltd.		0.01	-	-
Corporation Bank		0.51	-	-
Total of Long-term maturities of Hire purchase obligations		0.64	-	-

(c) Long Term Loan facility from banks carrying interest-rate ranging from LIBOR+2.50% to MCLR+3.10% p.a. for different facilities were repayable as per the repayment schedule.

(d) Unsecured Loans from related parties have been borrowed at interest rate of 10% p.a.

(e) For current maturities of long term borrowings, refer Note -11 (d)

11 (b) Current borrowings

(₹ in crores)

Particulars	Note	31 March 2017	31 March 2016	1 April 2015
Secured				
Loans repayable on demand				
From banks	(a)	210.13	-	-
Unsecured				
Loan from banks- Foreign Currency	(a)	46.18	-	-
Total Current borrowings		256.31	-	-

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Note:

(a) Details of current borrowings

(₹ in crores)

Name of the bank	Security	31 March 2017	31 March 2016	1 April 2015
Corporation Bank	Hypothecation of Inventories, collateral security of	24.88	-	-
Bank of Baroda	book debts, first charge on Company's fixed asset	33.13	-	-
State Bank Of India	at Naroda DTA plant located at Plot No. 1216/12,	37.98	-	-
Doha Bank	1216/20 to 23, Phase IV, and Plot No. 67, Phase I,	40.91	-	-
DBS Bank	GIDC Estate, Naroda , Ahmedabad unit and second	44.15	-	-
	charge on fixed asset at Bavla.			
Societe Generale bank	First Charge on Company's fixed asset at Naroda	29.08	-	-
	EOU plant situated at Plot No. 1216/24 to 1216/27			
	and 1216/11, Phase IV, GIDC Estate, Naroda,			
	Ahmedabad.			
Deutsche Bank	Unsecured	46.18	-	-
Total Current borrowings		256.31	-	-

(b) Details of short-term borrowings guaranteed by a director:

One of the directors has given guarantee against certain secured working capital loans to the extent of market value of his specified office premise.

11 (c) Trade payables

(₹ in crores)

Particulars	31 March 2017	31 March 2016	1 April 2015
Current			
Trade payables (Refer note No. 32)	56.93	-	-
Trade payables to related parties (Refer note No. 31)	1.21	-	-
Total trade payables	58.14	-	-

Note:

- All trade payables are current.
- The Company's exposure to currency and liquidity risks related to trade payable is disclosed in Note 25.

11 (d) Other financial liabilities

(₹ in crores)

Particulars	31 March 2017	31 March 2016	1 April 2015
Current			
(a) Current maturities of long-term debt	44.00	-	-
(b) Interest accrued but not due on borrowings	0.20	-	-
(c) Unpaid dividends	0.08	-	-
(d) Employee related provisions	6.02	-	-
(e) Book overdraft	-	-	0.05
(f) Others	0.29	-	0.00
Total other current financial liabilities	50.59	-	0.05

Note 12: Provisions

(₹ in crores)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
(a) Provision for compensated absences (Refer note No. 27)	0.20	1.02	1.22	-	-	-	-	-	-
(b) Provision for gratuity (net) (Refer note No. 27)	1.06	5.57	6.63	-	-	-	-	-	-
(c) Provision - Others	-	-	-	0.15	-	0.15	-	-	-
Total Provisions	1.26	6.59	7.85	0.15	-	0.15	-	-	-

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Note 13: Deferred tax liabilities

(a) Movements in deferred tax liabilities

(₹ in crores)

					March 31, 2017		
	Net balance April 1, 2016*	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Property, plant and equipment & Intangible assets & Goodwill	(231.89)	(48.42)	-	-	(280.31)	-	(280.31)
Investments	1.46	-	1.34	-	2.80	2.80	-
Trade receivables	0.16	-	-	-	0.16	0.16	-
Loans and advances	1.55	-	-	-	1.55	1.55	-
Provisions	2.50	(0.17)	0.20	-	2.54	2.54	-
Unabsorbed losses	116.90	30.98	-	-	147.88	147.88	-
Deferred tax assets (Liabilities)	(109.32)	(17.60)	1.54	-	(125.38)	154.93	(280.31)
Minimum Alternate Tax (MAT) credit entitlement	22.18	7.51	-	-	29.70	29.70	-
Net Deferred tax assets/(Liabilities)	(87.14)	(10.09)	1.54	-	(95.68)	184.62	(280.31)

* Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company

(b) Movements in deferred tax liabilities

	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2016		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Property, plant and equipment & Intangible assets & Goodwill	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Unabsorbed losses	-	-	-	-	-	-	-
Deferred tax assets (Liabilities)	-	-	-	-	-	-	-
Minimum Alternate Tax (MAT) credit entitlement	-	-	-	-	-	-	-
Net Deferred tax assets/(Liabilities)	-	-	-	-	-	-	-

- (c) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has cumulative tax losses of ₹ 427.45 crores as on 31 March 2017. Out of the tax losses of ₹ 427.45 crores, ₹ 427.31 crores pertains to unabsorbed depreciation, that are available for set off against future taxable profits, without any limitation of the number of years for set off. Balance tax loss of ₹ 0.14 crores can be carried forward and set off against the future taxable profits for 8 years, from the date of creation. Hence, the tax loss of ₹ 0.14 crores will expire in March 2023.

Minimum Alternative Tax (MAT credit) balance as on March 31, 2017 amounts to ₹ 29.70 crores (March 31, 2016 : ₹ 22.18 crores, April 1, 2015 ₹ Nil). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax has not been recognised.

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Note 14: Other Non-Current Liabilities				(₹ in crores)
Particulars	31 March 2017	31 March 2016	1 April 2015	
Advances from customers - Related party (Refer note No. 31)	118.06	-	-	
Total other non-current liabilities	118.06	-	-	
Note 15: Other current liabilities				(₹ in crores)
Particulars	31 March 2017	31 March 2016	1 April 2015	
(a) Statutory tax payables	2.43	0.18	0.09	
(b) Advances from customers - Include amount received from related party of Rs. 22.27 crores (Refer Note No. 31)	32.43	-	-	
(c) Others	-	2.47	2.46	
Total other current liabilities	34.86	2.65	2.56	
Note 16 : Revenue from Operations				(₹ in crores)
The entity derives the following types of revenue:				
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016		
(a) Sale of products (including excise duty) (Refer Note (i))	375.01	-		
(b) Sale of services (Refer Note (ii))	33.95	6.81		
(c) Other operating revenue (Refer Note (iii))	42.53	-		
Total revenue from operations	451.49	6.81		
Note:				
(i) Sale of products comprises :				
Sale of manufactured goods	361.65	-		
Sale of traded goods	13.36	-		
Total - Sale of products	375.01	-		
(ii) Sale of services comprises :				
Export Services	33.95	6.81		
Total - Sale of services	33.95	6.81		
(iii) Other operating revenues comprise:				
Sale of scrap	0.32	-		
Duty Drawback income	15.43	-		
Forex Gain on forward contracts against sales	19.30	-		
Sales of Raw Material	7.37	-		
Others	0.11	-		
Total - Other operating revenues	42.53	-		
Note 17: Other income				(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016		
(a) Interest income (Refer Note (i))	7.84	0.28		
(b) Dividend income from Long term Investments	35.37	-		
(c) Net gain on Long Term Investments	3.24	-		
(d) Net gain on foreign currency transactions and translation	19.53	0.04		
(e) Guarantee Commission Received	4.32	-		
(f) Income from Travel Business	0.50	-		
Total other income	70.80	0.32		

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			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
Note (i) : Interest income comprises:			
Interest from banks on:			
Deposits	1.67	-	
Interest on loans and advances:			
Subsidiaries	6.17	-	
Others	0.00	0.28	
Total - Interest income	7.84	0.28	
Note 18(a) : Cost of materials Consumed			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
Raw materials at the beginning of the year (Acquired on account of merger - Refer note No. 28(ii))	48.42	-	
Add: Purchases	142.51	-	
	190.93	-	
Less: Raw material at the end of the year	(51.52)	-	
Total cost of materials consumed	139.41	-	
Note 18 (b): Changes in inventories of work-in-progress, stock-in-trade and finished goods			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
Inventories at the end of the year			
Work-in progress	74.77	-	
Finished goods	20.78	-	
Total closing balance	95.55	-	
Acquisition of inventory on merger (Refer note no. 28 (i))			
Work-in progress	66.45	-	
Finished goods	18.63	-	
Total opening balance	85.08	-	
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(10.48)	-	
Note 19: Employee benefit expense			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
(a) Salaries and wages	63.46	-	
(b) Contributions to provident and other funds	1.83	-	
(c) Staff welfare expenses	1.47	-	
Total employee benefit expense	66.76	-	

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Note 20: Finance costs			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
(a) Interest on debts and borrowings	33.88	0.99	
(b) Other Borrowing Cost	5.30	0.00	
Total Finance costs	39.17	0.99	
Note 21: Depreciation and amortisation expense			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
(a) Depreciation of property, plant and equipment	47.01	-	
(b) Amortisation of intangible assets and Goodwill	88.84	-	
Total depreciation and amortisation expense	135.85	-	
Note 22: Other expenses			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
(a) Consumption of stores and spare parts	0.42	-	
(b) Other Manufacturing Expenses	5.08	-	
(c) Power and fuel	26.13	-	
(d) Laboratory Expenses	2.34	-	
(e) ETP Expenses	5.23	-	
(f) Rent including lease rentals	0.75	-	
(g) Repairs and maintenance - Buildings	1.32	-	
(h) Repairs and maintenance - Machinery	10.77	-	
(i) Repairs and maintenance - Others	1.87	-	
(j) Insurance	2.11	-	
(k) Communication	0.50	-	
(l) Travelling and conveyance	3.62	-	
(m) Printing and stationery	0.52	-	
(n) Freight and forwarding	4.15	-	
(o) Sales commission	0.87	-	
(p) Business promotion	2.79	-	
(q) Donations and contributions	1.82	-	
(r) Legal and professional	19.02	5.08	
(s) Payments to auditors	0.66	0.00	
(t) Bad trade and other receivables, loans and advances written off	0.30	-	
(u) Membership & Subcription	0.83	-	
(v) ECGC Premium	0.20	-	
(w) Office Electricity	0.23	-	
(x) Recruitment Expenses	0.15	-	
(y) Loss on fixed assets sold / scrapped / written off	0.38	-	
(z) Provision for doubtful trade and other receivables, loans and advances (net)	0.45	-	
(aa) Miscellaneous expenses	2.04	0.05	
Total other expenses	94.53	5.13	

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Note 22(a): Details of payments to auditors			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
Payment to auditors (excluding service tax)			
As auditor:			
Audit fee	0.43	0.00	
In other capacities			
Certification fees	0.22	-	
Re-imbursement of expenses	0.01	-	
Total payments to auditors	0.66	0.00	
Note 22(b): Corporate social responsibility expenditure (Refer note No. 28 (iv))			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
Amount required to be spent as per Section 135 of the Act	1.81	-	
<i>Amount spent during the year on</i>			
(i) Construction/acquisition of an asset	-	-	
(ii) On purposes other than (i) above	1.82	-	
	1.82	-	
Note: Related party transactions in relation to Corporate Social Responsibility : Nil			
Note 23: Income tax expense			(₹ in crores)
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016	
(a) Income tax expense			
<i>Current tax</i>			
Current tax on profits for the year	9.58	0.19	
Short Provision of Tax	-	-	
Adjustments for current tax of prior periods	-	-	
Total current tax expense	9.58	0.19	
<i>Deferred tax</i>			
Increase in deferred tax liabilities	17.60	-	
MAT Credit	(7.51)	(0.08)	
Total deferred tax expense/(benefit)	10.09	(0.08)	
Income tax expense	19.67	0.12	

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(b) Reconciliation of effective tax rate: (₹ in crores)

Particulars	2016-17	2015-16
Profit before income tax expense	43.91	1.01
Enacted income tax rate in India applicable to the Company 34.608% (2015-2016 – 30.90%)	15.19	0.31
Tax effect of:		
Permanent Disallowances	0.06	-
Others	0.20	-
Carry forward losses	-	(0.15)
Income offered in previous year's return	-	(0.05)
Deferred tax assets not created on unabsorbed losses	2.35	0.00
Foreign tax credit	1.87	-
Income tax expense	19.67	0.12
Weighted average tax rate for the year	44.81%	11.52%

(c) Amounts recognised in Other comprehensive income

Particulars	2016-17			2015-16		
	Before tax	Tax exp. (benefit)	Net of tax	Before tax	Tax exp. (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	(0.57)	0.20	(0.37)	-	-	-
Equity instruments through Other Comprehensive income- net change in fair value	(0.84)	1.34	0.50	-	-	-

(d) Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity and not in Statement of Profit or Loss or Other Comprehensive Income.

Note 24: Fair Value Measurements**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. (₹ in crores)

Financial Assets and Liabilities as at	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	Total Fair Value
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets and Liabilities as at 31st March, 2017																	
Financial Assets																	
Investments																	
- Equity instruments	2,593.82	167.37	2,761.19	-	-	-	-	0.03	-	39.59	39.62	-	-	2,721.60	2,721.60	2,761.22	2,761.22
Loans	40.23	35.27	75.50	-	-	-	-	-	-	-	-	-	-	75.50	75.50	75.50	75.50
Trade receivable	-	71.18	71.18	-	-	-	-	-	-	-	-	-	-	71.18	71.18	71.18	71.18
Cash and Cash equivalents	-	29.86	29.86	-	-	-	-	-	-	-	-	-	-	29.86	29.86	29.86	29.86
Other Bank Balance	-	10.45	10.45	-	-	-	-	-	-	-	-	-	-	10.45	10.45	10.45	10.45
Derivative financial assets	-	19.30	19.30	-	19.30	-	19.30	-	-	-	-	-	-	-	-	19.30	19.30
Other Financial Assets	0.46	36.08	36.54	-	-	-	-	-	-	-	-	-	-	36.54	36.54	36.54	36.54
Total	2,634.50	369.50	3,004.01	-	19.30	-	19.30	0.03	-	39.59	39.62	-	-	2,945.12	2,945.12	3,004.04	3,004.04
Financial Liabilities																	
Borrowings	144.62	256.31	400.93	-	-	-	-	-	-	-	-	-	-	400.93	400.93	400.93	400.93
Trade Payables	-	58.14	58.14	-	-	-	-	-	-	-	-	-	-	58.14	58.14	58.14	58.14
Other Financial Liabilities	-	50.59	50.59	-	-	-	-	-	-	-	-	-	-	50.59	50.59	50.59	50.59
Total	144.62	365.03	509.66	-	-	-	-	-	-	-	-	-	-	509.66	509.66	509.66	509.66
Financial Assets and Liabilities as at 31st March, 2016																	
Financial Assets																	
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	-	0.58	0.58	-	-	-	-	-	-	-	-	-	-	0.58	0.58	0.58	0.58
Other Bank Balance	-	0.02	0.02	-	-	-	-	-	-	-	-	-	-	0.02	0.02	0.02	0.02
Other Financial Assets	-	10.81	10.81	-	-	-	-	-	-	-	-	-	-	10.81	10.81	10.81	10.81
Total	-	11.40	11.40	-	-	-	-	-	-	-	-	-	-	11.40	11.40	11.40	11.40
Financial Liabilities																	
Borrowings	8.98	-	8.98	-	-	-	-	-	-	-	-	-	-	8.98	8.98	8.98	8.98
Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8.98	-	8.98	-	-	-	-	-	-	-	-	-	-	8.98	8.98	8.98	8.98
Financial Assets and Liabilities as at 1st April, 2015																	
Financial Assets																	
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
Other Bank Balance	-	0.01	0.01	-	-	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Other Financial Assets	-	12.14	12.14	-	-	-	-	-	-	-	-	-	-	12.14	12.14	12.14	12.14
Total	-	12.15	12.15	-	-	-	-	-	-	-	-	-	-	12.15	12.15	12.15	12.15
Financial Liabilities																	
Borrowings	10.26	-	10.26	-	-	-	-	-	-	-	-	-	-	10.26	10.26	10.26	10.26
Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	10.26	-	10.26	-	-	-	-	-	-	-	-	-	-	10.26	10.26	10.26	10.26

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B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values for investment in equity shares other than subsidiaries, joint venture and associate were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

D. Valuation technique used to determine fair value

The following is the valuation technique used in measuring Level 2 and Level 3 fair values, for the financial instruments measured at fair value in the statement of financial position, as well as significant unobservable inputs used.

Financial Instruments measured at fair value

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair valuation
Investments in unquoted instruments accounted for as Fair value through Other Comprehensive Income. - Level 3	DCF method	(i) Discounting rate: March 2017: 9.53% (ii) Growth rate: March 2017: 10.95%	Increase/ (Decrease) in significant unobservable input will Increase/ (Decrease) fair value of the instrument
Derivative instruments-forward exchange contracts. - Level 2	Forward pricing: The fair value is determined using quoted forward exchange rate at the reporting date.	Not applicable	Not applicable

- (E) For the fair value of unquoted equity shares, reasonable possible change at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effect (₹ in crores)

Significant unobservable inputs		Profit or Loss	
		As at 31st March 2017	As at 31st March 2016
+/- 0.5% Discount rate and Growth rate	Increase	5.73	-
	Decrease	5.09	-

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(F) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016:

	Unlisted equity securities
As at 1 April 2015	-
Gains/ (losses) recognised in other comprehensive income	-
As at 31 March 2016	-
Fair value of the shares acquired on merger of DPCL	40.43
Gains/(losses) recognised in Other Comprehensive Income	(0.84)
As at 31 March 2017	39.59

Note 25: Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of its financial risk including

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of directors, which provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by internal auditors. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Company's audit committee also oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

1 Trade and Other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

As at 31 March 2017, the carrying amount of the Company's largest customer which is its subsidiary (excluding advances) was ₹ 48.85 crore (31 March 2016 - ₹ Nil)

As at 31 March 2017, 31 March 2016 and 1 April 2015, the Company did not have any significant concentration of credit risk with any external customers.

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(i) Expected credit loss assessment for Trade and Other receivables as at 1 April 2015, 31 March 2016 and 31 March 2017:

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables. (₹ in crores)

	Gross Carrying amount	Loss allowances amount	Net Carrying
As at 31 March 2017	87.10	15.92	71.18
As at 31 March 2016	-	-	-
As at 1 April 2015	-	-	-

(ii) The movement in the loss allowance in respect of trade and other receivables during the year was as follows: (₹ in crores)

	Amount
Balance as at 1 April 2015	-
Movement during the year	-
Balance as at 31 March 2016	-
Add : On account of merger (Refer note no. 28 (i))	15.47
Movement during the year	0.45
Balance as at 31 March 2017	15.92

2 Cash and bank balances

The Company held Bank balance of ₹ 40.31 crore at March 31, 2017 (March 31, 2016: ₹ 0.60 crore; April 1, 2015: ₹ 0.01 crore). The same are held with bank and financial institution counterparties with good credit rating.

3 Derivatives

The forward cover has been entered into with banks /financial institution counterparties with good credit rating.

4 Others

Other than trade receivables reported above , the Company has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. The Company has access to a sufficient variety of sources of short term funding with existing lenders. The Company has arrangements with the reputed banks and has unused line of credit that could be drawn upon should there be need.

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(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in crores)

Contractual maturities of financial liabilities	31 March 2017	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives					
Long term borrowings		58.83	73.74	98.70	231.27
Working Capital Facility and Short term loans and borrowings		256.31	-	-	256.31
Trade payables		58.14	-	-	58.14
Other financial liabilities		6.59	-	-	6.59
Total non-derivative liabilities		379.87	73.74	98.70	552.31
Derivatives (net settled)					
Foreign exchange forward contracts		-	-	-	-
Total derivative liabilities		-	-	-	-
Contractual maturities of financial liabilities	31 March 2016	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives					
Long term borrowings		-	-	8.98	8.98
Working Capital Facility and Short term loans and borrowings		-	-	-	-
Trade payables		-	-	-	-
Other financial liabilities		-	-	-	-
Total non-derivative liabilities		-	-	8.98	8.98
Derivatives (net settled)					
Foreign exchange forward contracts		-	-	-	-
Total derivative liabilities		-	-	-	-
Contractual maturities of financial liabilities	1 April 2015	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives					
Long term borrowings		-	-	10.26	10.26
Working Capital Facility and Short term loans and borrowings		-	-	-	-
Trade payables		-	-	-	-
Other financial liabilities		0.05	-	-	0.05
Total non-derivative liabilities		0.05	-	10.26	10.31
Derivatives (net settled)					
Foreign exchange forward contracts		-	-	-	-
Total derivative liabilities		-	-	-	-

(C) Market risk

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 and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP, CHF and Chinese Renminbi (RMB). The Company has in place the Risk management policy to manage the foreign exchange exposure.

The Foreign currency exchange rate exposure is partly balanced through natural hedge, where in the Company's borrowing is in foreign currency and cash flow generated from financial assets is also in same foreign currency. This provide an economic hedge without derivatives being entered into and therefore hedge accounting not applied in these circumstances.

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In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Company can enter into foreign currency forward contracts and other authorized derivative contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables and borrowings.

The Company uses derivative instruments, mainly foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in line with the policy.

The Company hedges 75 to 80% of its estimated foreign currency exposure in respect of forecast sales. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period expressed in Rupees, are as follows

Sr No.	Particulars	Currency	31 March 2017 (₹ in crores)	31 March 2017 FC in Mn.	31 March 2016	31 March 2015
A	Financial assets					
(i)	Trade receivables	EURO	7.67	1.11	-	-
		USD	108.50	16.73	-	-
		GBP	0.20	0.02	-	-
(ii)	Loans and Advances	USD	55.76	8.60	-	-
(iii)	Bank balance in EEFC accounts	USD	0.58	0.09	-	-
		EURO	0.00	0.00	-	-
B	Financial liabilities		-			
(i)	Foreign currency loan		-			
	Bank loan	USD	289.07	44.57	-	-
		EURO	120.42	17.44	-	-
	Interest Payable	EURO	0.20	0.03	-	-
(ii)	Trade payables	USD	83.79	12.92	-	-
		EURO	1.68	0.24	-	-
		GBP	0.19	0.02	-	-

The Company has entered into forward contract transactions, which are not intended for trading or speculative purpose but to hedge the export receivables/loan outstanding including future receivables. The Company has following forward cover outstanding.

Type of transaction	Purpose	Currency	Buy or Sell	Cross Currency	31 March 2017 Foreign currency in Mn. (₹ in Crores)	31 March 2016	31 March 2015
Forward Cover	To hedge export receivables	USD	Sell	INR	20.70	134.24	-
		EURO	Sell	INR	4.50	31.08	-
		GBP	Sell	INR	7.50	61.02	-

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(c) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
Mar-17				
Effect in INR				
1 % movement				
USD	3.42	(3.42)	3.42	(3.42)
EUR	1.46	(1.46)	1.46	(1.46)
GBP	0.61	(0.61)	0.61	(0.61)
Mar-16				
Effect in INR				
1 % movement				
USD	-	-	-	-
EUR	-	-	-	-
GBP	-	-	-	-

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2017, the company's borrowings at variable rate were mainly denominated in USD and EURO.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	(₹ in crores)		
	31 March 2017	31 March 2016	1 April 2015
	Nominal amount	Nominal amount	Nominal amount
Variable rate borrowings	444.93	-	-
Fixed rate borrowings	-	8.98	10.26
Total borrowings	444.93	8.98	10.26

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(b) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Impact on profit after tax	
	31 March 2017	31 March 2016
Interest rates – increase by 50 basis points *	(2.44)	-
Interest rates – decrease by 50 basis points *	2.44	-

* Holding all other variables constant

Note 26: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders.

The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio at 31 March 2017 was as follows.

Particulars	31 March 2017	31 March 2016	1 April 2015
Borrowings			
Long term and Short term borrowings	400.93	8.98	10.26
Current maturities of Long term borrowings	44.00	-	-
Less: Cash and cash equivalents and other bank balances	(40.31)	(0.59)	(0.01)
Adjusted net debt	404.62	8.39	10.25
Total Equity	4,770.74	0.33	(0.56)
Adjusted net equity	4,770.74	0.33	(0.56)
Adjusted net debt to adjusted equity ratio	0.08	25.42	(18.30)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

Note 27: Employee benefits

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

		(₹ in crores)	
Defined benefit plans -		For the year ended March 31, 2017	For the year ended March 31, 2016
		Gratuity (Non-funded)	Gratuity (Non-funded)
I	Expenses recognised in statement of profit and loss during the year:		
1	Current Service Cost	0.65	-
2	Interest cost	0.42	-
	Total Expenses	1.06	-
II	Expenses recognised in OCI		
1	Actuarial changes arising from changes in demographic assumptions	-	-
2	Actuarial changes arising from changes in financial assumptions	0.26	-
3	Actuarial changes arising from changes in experience adjustments	0.31	-
	Total Expenses	0.57	-
III	Net Asset /(Liability) recognised as at balance sheet date:		
1	Present value of defined benefit obligation	6.63	
2	Net Asset /(Liability) - Current	1.06	
	Net Asset /(Liability) - Non- Current	5.57	
IV	Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:		
1	Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd	5.89	-
2	Current Service Cost	0.65	-
3	Interest cost	0.42	-
4	Actuarial loss/(gain) due to change in financial assumptions	0.26	-
5	Actuarial loss/(gain) due to change in demographic assumption	-	-
6	Actuarial loss/ (gain) due to experience adjustments	0.31	-
7	Benefit paid	(0.89)	-
	Net asset / (liability) at the end of the year	6.63	-
V	Maturity profile of defined benefit obligation		
1	Within the next 12 months (next annual reporting period)	1.06	-
2	Between 2 and 5 years	2.33	-
3	Between 6 and 10 years	3.02	-
VI	Quantitative sensitivity analysis for significant assumptions is as below:		
1	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i)	0.5% increase in discount rate	(0.22)	-
(ii)	0.5% decrease in discount rate	0.23	-
(iii)	0.5% increase in rate of salary increase	0.20	-
(iv)	0.5% decrease in rate of salary increase	(0.18)	-
(v)	20% increase in employee turnover rate	0.06	-
(vi)	20% decrease in employee turnover rate	(0.11)	-
2	Sensitivity analysis method		
	Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		

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VII Actuarial Assumptions:		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1	Discount rate	7.15% p.a	-	-
2	Expected rate of salary increase	6.00% p.a	-	-
3	Attrition rate		-	-
	Age Band			
	25 & Below	15.00% p.a	-	-
	26 to 35	12.00% p.a	-	-
	36 to 45	9.00% p.a	-	-
	46 to 55	6.00% p.a	-	-
	56 & above	3.00% p.a	-	-
4	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	-	-

Notes:

- Amount recognised as an expense in the Statement of Profit and Loss and included in Note 19 under "Salaries and wages": Gratuity ₹ 1.06 crores (Previous year - Nil) and Leave encashment ₹ 0.35 crores (Previous year - Nil)
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B Defined contribution plan

The Company makes contributions towards provident fund and super annuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. Amount recognised as an expense in the Statement of Profit and Loss - included in Note 19 - "Contribution to provident and other funds" ₹ 1.83 crore (Previous Year - Nil). The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Note 28: Merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company

(i) The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ('DPCL') and Dishman Care Ltd. ('DCL') with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956 ('Scheme'). The Scheme inter alia provides for the following: a) Transfer and vesting of the Effluent Treatment Plants (ETP) Undertaking of DPCL into Company, a wholly owned subsidiary of DPCL, by way of slump sale; b) Followed by, amalgamation of DCL, a wholly owned subsidiary of DPCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961; c) Followed by, amalgamation of DPCL into and with Company in accordance with Section 2(1B) of the Income Tax Act, 1961. d) Upon Scheme becoming effective, the name of the Company shall be changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" (DCAL).

The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned the Scheme and certified copy of the said order alongwith the scheme has been received by the Company on 2nd March, 2017. The Scheme has become effective upon filing of certified copy of said order of Hon'ble High Court with the Office of Registrar of Companies, Gujarat MCA on 17th March, 2017 ("Effective Date") and accordingly has been given effect in the books of accounts in year 2016-17. DPCL as a going concern, stands amalgamated with effect from the Appointed Date i.e. 1st January, 2015 and subsequently, the name of Company has been changed to Dishman Carbogen Amcis Ltd. w.e.f. 27th March, 2017 vide fresh certificate of change of name issued by the Office of Registrar of Companies, Gujarat. The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and thereafter the new shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'ble High Court, Gujarat, which is different from Ind AS 103 "Business Combinations" which was otherwise applicable to the Company from 01-04-2015. Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of ₹ 4810.00 crores payable by way of issue of shares of the Company has been disclosed as Share Suspense Account under Other Equity. The excess of consideration payable over net assets acquired has been recorded as goodwill amounting ₹ 1326.86 crores, represented by underlying intangible assets acquired on amalgamation and is being amortized over the period of 15 years from the Appointed Date. Had Goodwill not been amortized as required under Ind AS 103, the Depreciation and Amortization expense for the year ended March 31, 2017 would have been lower by ₹ 88.46 Crore and Profit before tax for the year ended March 31, 2017 would have been higher by an equivalent amount.

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Assets and liabilities taken over by the Company at fair value on appointed date from DPCL		(₹ in crores)
Property, plant and equipment		806.63
Capital work-in-progress		40.95
Other intangible assets		0.70
Investments		2,709.91
Loans and Advances		486.57
Inventories		172.64
Trade receivables		50.87
Cash and cash equivalents		34.59
Amalgamation adjustment account		24.38
		4,327.24
Debenture redemption reserve		(24.38)
Borrowings		(500.30)
Trade Payables		(73.19)
Deferred tax liabilities (Net)		(62.84)
Provisions		(6.25)
Other liabilities		(177.14)
Net assets taken over by the Company		3,483.14
Consideration to be discharged by the Company		4,810.00
161,394,272 Shares of the Company of ₹ 2/- each at a premium of ₹ 296.02 per share.		
Goodwill- excess of consideration over net assets taken over by the Company.		1,326.86

The Goodwill is attributable mainly to the Developed technology, Customer relationship, skills and technical talents, and synergies expected to be achieved out of consolidation of business in the form of wider portfolio of products and services with diversified resources and deeper customer relationships. Accordingly Goodwill is amortised over its estimated useful life of 15 years.

The above assets and liabilities have been incorporated in the accounts of the Company as they stand as on April 1, 2016 after making adjustments for IndAS as required in line with the accounting policies, options and exemptions opted by the Company on transition to IndAS.

For the purpose of Ind AS adjustments and exemptions, the assets and liabilities of erstwhile DPCL as on 1.4.2015 after giving impact of merger have been considered as the previous GAAP carrying amounts.

Note 28 (ii) : Issue of bonus shares

On 5th May, 2016, erstwhile Dishman Pharmaceuticals and Chemicals Ltd., have allotted 8,06,97,136 equity shares of ₹ 2/- each, as fully paid-up bonus shares in the ratio of 1 (one) equity share for every 1 (one) equity share held to those shareholders whose names appeared in the Register of Members / List of Beneficial owners as on the Record Date i.e. on May 3, 2016.

Note 28 (iii) : Interim dividend

On 13th February, 2017, Board of Directors of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) have declared an Interim dividend of ₹ 1.20 (i.e. @ of 60%) per equity share on 16,13,94,272 equity shares of ₹ 2.00 each for the financial year 2016-2017 and DPCL had fixed 21st February, 2017 as the Record Date for the purpose of Payment of Interim Dividend for the financial year 2016-17.

Note 28 (iv) : Payment towards Corporate Social Responsibility (CSR)

As per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), had to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy.

During the FY 2016-17, the DPCL has spent total ₹ 1.82 crores towards CSR activity as against the amount of ₹ 1.81 crores required to be spent towards CSR activity as per Section 135 of the Companies Act, 2013.

Note 28 (v) : Managerial Remuneration

Erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) has three whole time Directors on its Board, who are eligible to draw remuneration as under as per the Board and Shareholder's approval:

1. Shri J. R. Vyas, Chairman & Managing Director – 5% of the Net Profit as approved by the Members. 2. Mr. Arpit J. Vyas, Managing Director & CFO – ₹ 1.80 crores per annum. 3. Mrs. D. J. Vyas, Whole-time Director – ₹ 1.80 crore per annum.

The Remuneration to whole-time Directors paid by the DPCL falls under Section I of Part II of Schedule V to the Companies Act, 2013 (i.e. remuneration payable by the company having profits) and which is permissible as well as the same is in accordance with the provisions of Schedule V.

Accordingly, DPCL has paid total Managerial Remuneration of ₹ 8.14 crores during the year 2016-17.

All the amounts stated at point 28 (ii) to (v) above which have declared/paid/incurred by erstwhile DPCL have been incorporated in the books of the account of the Company post merger and disclosed under relevant heads.

Notes (Contd.)

forming part of the financial statements

Note 29: Contingent liabilities		(₹ in crores)		
Particulars	31 March 2017	31 March 2016	1 April 2015	
a) Labour Law claims against the Company not acknowledged as debt	0.11	-	-	
b) (i) Outstanding guarantees furnished to the bank in respect of wholly owned subsidiaries	262.48	-	-	
(ii) Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	53.67	-	-	
c) Disputed central excise duty (including service tax) liability	4.07	-	-	
d) Disputed income tax liability for various assessment years for which appeals are pending with Appellate authorities, out of the said amount, the Company has paid ₹ 42.88 crores under protest.	159.54	-	-	
e) Disputed sales tax and central sales tax liability	4.34	-	-	

Note 30: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		(₹ in crores)		
Particulars	31 March 2017	31 March 2016	1 April 2015	
Property, plant and equipment	10.01	-	-	

(b) Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire instalments payable for vehicle acquired at the Balance sheet date are as under. (₹ in crores)

Particulars	31 March 2017	31 March 2016	1 April 2015	
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:				
Within one year	0.27	-	-	
Later than one year but not later than five years	0.64	-	-	
Later than five years	-	-	-	
	0.91	-	-	

Rent expense relating finance lease

		(₹ in crores)		
Particulars	31 March 2017	31 March 2016		
Rent expense relating finance lease	0.11	-		
Total rental expense relating to Hire charges	0.11	-		

Finance lease in respect of lease hold land.

The Company has entered into finance lease for land. These leases are generally for a period of 99 years. These leases can be extended for further 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases.

Notes (Contd.)

forming part of the financial statements

Note 31: Related Party disclosures as per Ind AS 24 Related party disclosures

a) Details of related parties:

Description of relationship	Name of the related party
Holding Company	Dishman Pharmaceuticals and Chemicals Ltd. (upto 1.1.2015)
Subsidiary	Dishman USA Inc.
Subsidiary	Dishman Europe Ltd.
Subsidiary	Dishman International Trading (Shanghai) Co. Ltd.
Subsidiary	Dishman Switzerland Ltd.
Subsidiary	CARBOGEN AMCIS (Shanghai) Co. Ltd. (formerly know as Dishman Pharmaceuticals and Chemicals (Shanghai) Co. Ltd.)
Subsidiary	CARBOGEN AMCIS Holding AG (formerly known as Dishman Pharma Solutions AG)
Subsidiary	Dishman Australasia Pty Ltd.
Subsidiary	CARBOGEN AMCIS Ltd., U.K.
Subsidiary	Dishman Middle East FZE
Subsidiary	Dishman Japan Ltd.
Subsidiary	CARBOGEN AMCIS Singapore Pte Ltd.
Step Down Subsidiary	CARBOGEN AMCIS AG
Step Down Subsidiary	Cohecie Fine Chemicals B.V.
Step Down Subsidiary	Dishman Netherlands B.V.
Step Down Subsidiary	Innovative Ozone Service Inc.
Step Down Subsidiary	CARBOGEN AMCIS SAS
Step Down Subsidiary	Shanghai Yiqian International Trade Co. Ltd.
Associates	Bhadra Raj Holding Pvt. Ltd. (upto 26-03-2017)
Associates	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (upto 26-03-2017)
Key Management Personnel (KMP)	Mr. Janmejy R.Vyas
Key Management Personnel (KMP)	Mrs. Deohooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Relative of Key Management Personnel	Ms. Aditi J Vyas
Relative of Key Management Personnel	Ms. Mansi J Vyas
Entity in which KMP are the members	Mr. J. R.Vyas HUF
Entity in which KMP can exercise significant influence	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Bhadra Raj Holding Pvt. Ltd. (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Azafran Innovacion Ltd.*
Entity in which KMP can exercise significant influence	Dishman Infrastructure Ltd.*
Entity in which Relatives of KMP can exercise significant influence	Discus IT Pvt. Ltd.*

* Only where transactions have taken place during the year.

Notes (Contd.)

forming part of the financial statements

b) Details of related party transactions for the year ended on 31st March, 2017 and balances outstanding as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 :

(₹ in crores)								
Particulars	Holding Company*	Subsidiaries	Step Down Subsidiaries	Associates	KMP	Relatives of KMP	Entities in which KMP/relatives of KMP have significant influence	Total
Purchase of goods and Services	-	13.08	3.27	-	-	-	0.02	16.37
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of goods / services	-	276.00	60.28	1.04	-	-	0.01	337.34
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of fixed assets	-	-	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rendering of services	-	-	0.02	-	-	-	-	0.02
	(-)	(-)	(6.81)	(-)	(-)	(-)	(-)	(6.81)
Receiving of services	-	5.58	-	-	-	-	1.18	6.76
	(5.08)	(-)	(-)	(-)	(-)	(-)	(-)	(5.08)
Sale of long term investments	-	-	-	-	2.62	0.03	-	2.65
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest income	-	1.54	-	-	-	-	4.55	6.10
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest expenses	-	-	-	-	-	-	-	-
	(0.99)	(-)	(-)	(-)	(-)	(-)	(-)	(0.99)
Dividend income	-	34.70	-	-	-	-	-	34.70
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Repayment loans & advances given	-	32.25	-	-	-	-	-	32.25
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Repayment of loans & advances received	-	-	-	-	2.10	-	-	2.10
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration	-	-	-	-	8.14	1.16	-	9.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Guarantee commission income	-	2.99	-	-	-	-	-	2.99
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Guarantees and collaterals given during the period	-	155.15	-	-	-	-	-	155.15
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Guarantees and collaterals withdrawn during the period	-	22.93	21.55	-	-	-	-	44.48
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Trade advances received	-	173.80	-	-	-	-	-	173.80
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Trade advances given	-	-	-	16.88	-	-	-	16.88
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	-	0.14	11.75	-	-	11.89
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Notes (Contd.)

forming part of the financial statements

(₹ in crores)								
Particulars	Holding Company*	Subsidiaries	Step Down Subsidiaries	Associates	KMP	Relatives of KMP	Entities in which KMP/relatives of KMP have significant influence	Total
Balances outstanding at the end of the year								
Trade receivables	- (-) #	49.86 (-) #	6.02 (-) #	- (-) #	- (-) #	- (-) #	1.23 (-) #	57.11 (-) #
Trade advances given	- (-) #	6.28 (-) #	- (-) #	- (-) #	- (-) #	- (-) #	16.88 (-) #	23.16 (-) #
Trade advances received	- (-) #	151.29 (-) #	- (-) #	- (-) #	- (-) #	- (-) #	- (-) #	151.29 (-) #
Guarantees and collaterals given	- (-) #	262.48 (-) #	- (-) #	- (-) #	- (-) #	- (-) #	- (-) #	262.48 (-) #
Guarantees given by Dishman Infrastructure Ltd. on behalf of the company	- (-) #	- (-) #	- (-) #	- (-) #	- (-) #	- (-) #	54.49 (-) #	54.49 (-) #
Loans and advances given / (taken)	- (-) #	24.22 (-) #	- (-) #	- (-) #	- (-) #	- (-) #	38.06 (-) #	62.28 (-) #
Trade payables	- (-) #	0.90 (-) #	0.23 (-) #	- (-) #	0.08 (-) #	- (-) #	- (-) #	1.21 (-) #
Loan Payable	- (8.98) #10.26	- (-) #	- (-) #	- (-) #	- (-) #	- (-) #	- (-) #	- (8.98) #10.26

Note: Figures in bracket relates to balance outstanding as on 31st March 2016 and # relates to balance outstanding as on 31st March 2015.

* Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) is holding company upto 1.1.2015. However, for the comparative purpose the transaction with DPCL has been shown under holding company as impact of the Scheme has been given in the year 2016-17.

c) Disclosure in respect of material transactions with related parties				(₹ in crores)
Particulars	Name of the related party	F.Y. 2016-17	FY 2015-16	
Purchase of goods	CARBOGEN AMCIS (Shanghai) Co. Ltd.	13.08	-	
	Shanghai Yiqian International Trade Co. Ltd.	3.27	-	
Sale of goods / services	Dishman Europe Ltd.	197.06	-	
	CARBOGEN AMCIS AG	41.49	-	
	Dishman USA Inc.	70.88	-	
Rendering of services	CARBOGEN AMCIS AG	0.02	6.81	
Receiving of services	Dishman USA Inc.	5.58	-	
	Dishman Pharmaceuticals & Chemicals Ltd	-	5.08	
	Discus IT Pvt. Ltd.	1.04	-	

Notes (Contd.)

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(₹ in crores)			
Particulars	Name of the related party	F.Y. 2016-17	FY 2015-16
Sale of long term investment	Mr. Janmejey R.Vyas	2.58	-
	Mrs. Deohooti J.Vyas	0.03	-
	Mr. Arpit J.Vyas	0.01	-
Interest income	CARBOGEN AMCIS (Shanghai) Co. Ltd.	1.54	-
	Dishman Infrastructure Ltd.	4.55	-
Interest expenses	Dishman Pharmaceuticals and Chemicals Ltd.	-	0.99
Guarantee commission income	CARBOGEN AMCIS Holding AG	2.43	-
	Dishman USA Inc.	0.38	-
Dividend income	CARBOGEN AMCIS Holding AG	18.03	-
	Dishman Europe Ltd.	16.66	-
Repayment of loans and advances given	CARBOGEN AMCIS (Shanghai) Co. Ltd.	32.25	-
Repayment of loans and advances received	Mrs. Deohooti J.Vyas	2.10	-
Trade advances received	Dishman USA Inc.	173.80	-
Guarantees and collaterals given during the period	Dishman USA Inc.	155.15	-
Guarantees and collaterals withdrawn during the period	Dishman Netherlands B.V.	21.55	-
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	13.23	-
	CARBOGEN AMCIS Holding AG	9.70	-
Dividends paid	Mr. Janmejey R.Vyas	6.07	-
	Mrs. Deohooti J.Vyas	2.63	-
	Mr. Arpit J.Vyas	3.02	-
Remuneration	Mr. Janmejey R.Vyas	4.54	-
	Mrs. Deohooti J.Vyas	1.80	-
	Mr. Arpit J.Vyas	1.80	-
Outstanding balance of trade receivables	Dishman Europe Ltd.	18.95	-
	Dishman USA Inc.	23.63	-
Outstanding trade advances given	CARBOGEN AMCIS (Shanghai) Co. Ltd.	6.02	-
	Dishman Biotech Ltd.	16.88	-
Outstanding trade advances received	Dishman USA Inc.	151.29	-
Outstanding loan payable	Dishman Pharmaceuticals and Chemicals Ltd.	-	8.98
Outstanding balance of Loans and advance	CARBOGEN AMCIS (Shanghai) Co. Ltd.	23.23	-
	Dishman Infrastructure Ltd.	38.06	-
Outstanding balances of guarantees and collaterals	CARBOGEN AMCIS Holding AG	107.32	-
	Dishman USA Inc.	155.15	-

(d) Key management personnel compensation

(₹ in crores)		
	31 March 2017	31 March 2016
Executive directors*		
Remuneration (Refer Note No. 28 (v))	8.14	-
Total compensation	8.14	-

* Key managerial personnel is not entitled to any post-employment benefits and Other long term benefits. Hence, the above figures does not include the same.

Notes (Contd.)

forming part of the financial statements

(e) Information Pertaining to Loans and Guarantees given to Subsidiaries (Information Pursuant to Regulation 34(3) of SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 and section 186(4) of Companies Act, 2013):

(i) Loans and advances in the nature of loans to subsidiaries / others (₹ in crores)

Name of the Company	Outstanding at the beginning of the year*	Given during the year	Adjusted/ repaid during the year	Other adjustments	Closing at the end of the year	Maximum amount outstanding during the year	Purpose
Dishman Australasia Pty Ltd.	1.01	-	-	(0.02)	0.99	1.01	Other corporate purpose
Carbogen Amcis Shanghai Co. Ltd	55.92	-	(32.24)	(0.45)	23.23	55.92	Other corporate purpose
Dishman Infrastructure Ltd.	38.06	-	-	-	38.06	38.06	Other corporate purpose

* Acquired on merger (Refer note No. 28 (i))

(ii) Guarantees given to subsidiaries :

Name of the Company	As at March 31, 2017		As at March 31, 2016		Purpose
	Foreign currency in Mn.	Amount in ₹ Cr	Foreign currency in Mn.	Amount in ₹ Cr	
CARBOGEN AMCIS Holding AG	CHF 16.62	107.32	-	-	For loan obtained by subsidiary for business purpose.
Dishman USA Inc.	USD 23.93	155.15	-	-	For loan obtained by subsidiary for business purpose.

Note 32: Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 : (₹ in crores)

Particulars	2016-17	2015-16
a) Principal amount due to suppliers under MSMED Act, 2006	3.22	-
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.21	-
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	10.33	-
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	0.21	-
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.21	-

Note: The above information is given to the extent available with the Company and relied upon by the auditor.

Note 33: Earnings per share 2016-17 2015-16

(a) Basic earnings per share

From continuing operations attributable to the equity holders of the company		
Total basic earnings per share attributable to the equity holders of the company	1.50	35.69

(b) Diluted earnings per share

From continuing operations attributable to the equity holders of the company		
Total diluted earnings per share attributable to the equity holders of the company	1.50	35.69

(c) Reconciliations of earnings used in calculating earnings per share

Basic earnings per share

Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	24.24	0.89

Diluted earnings per share

Profit from continuing operations attributable to the equity holders of the company:		
Used in calculating basic earnings per share	24.24	0.89

Profit attributable to the equity holders of the company used in calculating diluted earnings per share	24.24	0.89
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Notes (Contd.)

forming part of the financial statements

(d) Weighted average number of shares used as the denominator

	2016-17 Number of shares	2015-16 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share- Shares Suspense account	16,13,94,272	2,50,000
Adjustments for calculation of diluted earnings per share:		
Options	-	-
Convertible bonds	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	16,13,94,272	2,50,000

Upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL stand cancelled. Accordingly, EPS for the year ended 31st March, 2017 has been calculated based on outstanding shares of DPCL.

As per IndAS – 33 "Earnings per share", EPS is to be calculated on the basis of Net Profit after tax and amounts under Other Comprehensive Income (Net of tax) are not to be considered.

Note 34: Offsetting financial assets and financial liabilities

The are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2017, 31 March 2016 and 1 April 2015.

Note 35: (i) Details of research and development expenditure recognised as revenue expense (Other than contract reserach expenses)

	(₹ in crores)	
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Annual Maintenance	0.01	-
Consumables	0.09	-
Conveyance	0.10	-
Laboratory Expenses	0.98	-
Others	0.16	-
Power & Fuel	0.50	-
Repair & maintenance	0.24	-
Raw Material Consumption	0.19	-
Salary & Wages	2.95	-
Subscription Expenses	0.07	-
Total	5.29	-

Note 35: (ii) Details of research and development expenditure recognised as capital expenses

	(₹ in crores)	
Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Plant & Machinery	1.28	-
Office Equipments and Computers	0.02	-
Intangible assets under development	11.35	-
Total	12.65	-

Notes (Contd.)

forming part of the financial statements

Note 36: Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30 2017. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, as per the notification are given below: (₹ in crores)

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8th November 2016	0.33	0.03	0.36
(+) Withdrawals from bank accounts	-	0.20	0.20
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	0.07	0.07
(-) Amount deposited in Banks	0.33	-	0.33
Closing cash in hand as on 30th December 2016	-	0.16	0.16

* For the purposes of this clause, the term ₹ Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November 2016.

Note 37: Segment reporting

As the Company's annual report contains both Consolidated and Standalone Financial Statements, segmental information is presented only on the basis of Consolidated Financial Statement. (Refer note No. 35 of Consolidated Financial Statements).

Note 38: Transition to Ind AS

These are the entity's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the entity's date of transition). There is no difference between financial results of the Company as previously reported under previous GAAP (IGAAP) and Ind AS for the year ended March 2016. Also there is no Ind AS adjustments required as on transition date 1 April, 2015 with respect to balance sheet of the Company.

Optional Exemptions under IndAS 101:

In preparing these financial statements, the Company has availed itself of certain exemptions in accordance with Ind AS 101 as explained below:

- The Company has elected to measure its property, plant and equipment on the transition date at its previous GAAP carrying amount.
- The Company has elected to measure the investments in its subsidiaries and associates at its previous GAAP carrying amount.
- The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year. As explained in Note No. 28(i), the Scheme involving merger of DPCL and DCL with the Company has been given effect in these financial statements w.e.f the Appointed date i.e. January 1, 2015. Accordingly, the figures for the current year are not strictly comparable with those of the previous year.

Note 39: The financial statements were authorised for issue by the Company's Board of directors on 16-May-2017

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah

Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.

Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla

Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas

Chairman & Managing Director

Arpit J. Vyas

Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas

Whole Time Director

Shrima Dave

Company Secretary

Independent Auditors' Report

To the Members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and 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 Holding Company'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 changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 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 Holding Company'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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

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 other auditors on separate Ind AS financial statements and on other financial information of the subsidiaries, 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 accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2017, their consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Independent Auditors' Report (Contd.)

Emphasis of Matter

We draw attention to Note 28(i) to the Consolidated Ind AS Financial Statements detailing the accounting treatment relating to the Scheme involving merger of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Holding Company, which has been accounted during the year under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations (AS 14) in compliance with scheme of Amalgamation pursuant to Section 391 to 394 of Companies Act, 1956 approved by Hon'ble High Court of Gujarat. In accordance with the Scheme, the Holding Company has recognized goodwill on amalgamation amounting to ₹ 1,326.86 Crores which is amortised over its useful life. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business combinations'. Had the goodwill not been amortised as required under Ind AS 103, the Depreciation and Amortisation expense for the year ended March 31, 2017 would have been lower by ₹ 88.46 crores and Profit before tax for the year ended March 31, 2017 would have been higher by an equivalent amount.

Our opinion is not modified in respect of this matter.

Other Matters

- (a) Ind AS Financial Statements of 2 subsidiaries included in the Consolidated Ind AS Financial Statement, whose Ind AS Financial Statements reflects total assets of ₹ 8.56 Crores and net assets of ₹ 1.87 Crores as at March 31, 2017, total revenue of ₹ 2.99 Crores and net cash inflow of ₹ 2.67 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statement have been audited by one of the joint auditor and reliance has been placed by the other auditor in respect of this report. These Consolidated Ind AS Financial Statements also includes Group's share of net loss of ₹ 0.89 Crores for the year ended March 31, 2017, as considered in the Consolidated Ind AS Financial Statement, in respect of 2 Associates, whose Ind AS Financial Statements have been audited by one of the joint auditor and reliance has been placed by the other auditor in respect of this report.
- (b) We did not audit the Ind AS financial statements of 13 subsidiaries, whose Ind AS financial statements reflects total assets of ₹ 1,971.34 Crores and net assets of ₹ 769.43 Crores as at March 31, 2017, total revenues of ₹ 1,637.29 Crores and net cash outflow amounting to ₹ 4.91 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements 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 and the reports of the other auditors and the Ind AS financial statements-certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company 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, the Consolidated Cash Flow Statement and 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, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014; as referred to in the Emphasis of Matter paragraph above, the Holding Company has given the accounting treatment of merger as per the Court approved Scheme in compliance with AS-14 "Accounting for Amalgamations" which is different from that prescribed under Ind AS-103 "Business Combinations"
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

Independent Auditors' Report (Contd.)

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associate companies incorporated in India, and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 on Contingent Liability to the Consolidated Ind AS Financial Statements;
 - (ii) Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13 and Note 37 to the Consolidated Ind AS Financial Statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company;
 - (iv) The Holding Company has provided the requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Holding Company so far as it appears from our examination of those books - Refer Note 26 to the Consolidated Ind AS financial statements.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Bhavik L. Shah
Partner
Membership No.122071
Place : Ahmedabad
Date : May 16, 2017

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration No.110240W

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 16, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) on the Consolidated Ind AS Financial Statements for the year ended March 31, 2017]

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 March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its associate companies which are companies incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate companies 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial

Independent Auditors' Report (Contd.)

Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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.

Opinion

In our opinion, the Holding Company and its associate companies (for the period considered for consolidation), which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the 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 ICAI.

Other Matters

Our aforesaid reports 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 2 associate companies which are companies incorporated in India, which has been audited by one of the joint auditor, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration No.110240W

Bhavik L. Shah
Partner
Membership No.122071
Place : Ahmedabad
Date : May 16, 2017

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 16, 2017

Consolidated Balance sheet

as at 31st March, 2017

Particulars	Note No.	(₹ in crores) As at 31 March, 2017
ASSETS		
Non-current assets		
(a) Property, plant and equipment	2	1,343.36
(b) Capital work-in-progress	2	121.53
(c) Investment properties	3	4.63
(d) Goodwill	4	3,455.13
(e) Other intangible assets	4	48.76
(f) Intangible assets under development		11.35
(g) Financial assets		
i. Investments	5(a)	39.62
ii. Trade Receivables	5(b)	-
iii. Loans	5(c)	35.01
iv. Others	5(e)	2.77
(h) Deferred tax assets (Net)	6(a)	19.13
(i) Other non-current assets	7	179.09
Total non-current assets		5,260.38
Current assets		
(a) Inventories	8	426.58
(b) Financial assets		
i. Investments	5(a)	-
ii. Trade receivables	5(b)	285.55
iii. Cash and cash equivalents	5(d) (i)	58.61
iv. Bank balances other than (iii) above	5(d) (ii)	28.78
v. Loans	5(c)	95.82
vi. Others	5(e)	145.35
(c) Current tax Assets (Net)	9	87.64
(d) Other current assets	10	204.72
Total current assets		1,333.05
Total assets		6,593.43
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11(a)	-
(b) Other equity	11(b)	4,813.98
		4,813.98
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
i. Borrowings	12(a) (i)	460.12
ii. Trade Payables	12(b)	-
iii. Other financial liabilities	12(c)	-
(b) Provisions	13	221.40
(c) Deferred tax liabilities (Net)	6(b)	99.41
(d) Other non-current liabilities	14	4.86
Total non-current liabilities		785.79
Current liabilities		
(a) Financial liabilities		
i. Borrowings	12(a) (ii)	384.95
ii. Trade Payables	12(b)	85.64
iii. Other financial liabilities	12(c)	166.09
(b) Other current liabilities	15	291.10
(c) Provisions	13	19.00
(d) Current tax liabilities (Net)	9	46.88
Total current liabilities		993.66
Total liabilities		1,779.45
Total equity and liabilities		6,593.43

Significant accounting policies ¹

The accompanying notes form an integral part of these Financial Statements.

Note : Pre merger, there were no subsidiaries of Dishman Carbogen Amcis Ltd. as on 31.03.2016. Therefore, previous year's figures have not been given.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla
Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejy R. Vyas
Chairman & Managing Director

Arpit J. Vyas
Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas
Whole Time Director

Shrima Dave
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

Particulars	Note No.	(₹ in crores) For the year ended 31 March, 2017
Revenue		
(a) Revenue from operations	16	1,713.69
(b) Other income	17	26.13
Total income		1,739.82
Expenses		
(a) Cost of materials consumed	18	316.44
(b) Purchases of stock-in-trade		13.14
(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	19	(0.28)
(d) Employee benefit expense	20	596.02
(e) Finance costs	21	49.01
(f) Depreciation and amortisation expense	22	213.50
(g) Other expenses	23	335.02
Total expenses		1,522.85
Profit before exceptional items, Tax and Share of profit from associates		216.97
Share of profit from associates		(0.89)
Profit before exceptional items and Tax before Share of profit from associates		216.08
Exceptional items		-
Profit before tax		216.08
Tax expense		
(a) Current tax	24	55.40
(b) Deferred tax	6 (c)	15.25
Profit after tax		145.43
Other comprehensive income		
(A) Items that will not be reclassified to profit or loss		
(a) Remeasurements of the defined benefit plans		14.56
(b) Income Tax on above		0.20
(c) Equity Instruments designated through Other Comprehensive Income		(0.84)
(d) Income Tax on above		1.34
(B) Items that will be reclassified to profit or loss		
(a) Movement in foreign currency translation reserve		(214.01)
Other Comprehensive Income for the year (net of tax)		(198.75)
Total Comprehensive Income for the year		(53.32)
Profit for the year attributable to :		
(a) Owners of the Company		145.43
(b) Non Controlling Interest		-
Other Comprehensive Income for the year attributable to :		145.43
(a) Owners of the Company		(198.75)
(b) Non Controlling Interest		-
Total Comprehensive Income for the year attributable to :		(198.75)
(a) Owners of the Company		(53.32)
(b) Non Controlling Interest		-
		(53.32)
Earnings per equity share of face value of ₹ 2/- each:		
(a) Basic earnings per share (in ₹)	25	9.01
(b) Diluted earnings per share (in ₹)	25	9.01
Significant accounting policies	1	

The accompanying notes form an integral part of these Financial Statements.

Note : Pre merger, there were no subsidiaries of Dishman Carbogen Amcis Ltd. as on 31.03.2016. Therefore, previous year's figures have not been given.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla
Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejaya R. Vyas
Chairman & Managing Director

Arpit J. Vyas
Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas
Whole Time Director

Shrima Dave
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

Particulars	(₹ in crores)
	Year ended 31 March, 2017
Profit before tax	216.08
Adjustments for	
Depreciation and amortisation expense	213.50
Gain on disposal of property, plant and equipment	(2.66)
Interest Income	(12.51)
Finance costs	49.01
Net exchange differences	(0.66)
Bad trade and other receivables, loans and advances written off	0.33
Provision for doubtful trade and other receivables, loans and advances (net)	0.45
Loss on fixed assets sold / scrapped / written off	0.38
MTM Gain on Forward Contracts	(20.88)
Guarantee Commission Received	(1.33)
Impairment of Non Current Assets	6.17
	447.87
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:	
(Increase)/Decrease in trade receivables	(133.22)
(Increase)/Decrease in inventories	56.53
Increase/ (Decrease) in trade payables	(1.33)
(Increase)/Decrease in loans and advances	64.68
Increase/(Decrease) in provisions and other liabilities	6.03
Adjustment for translation difference in working capital	(22.12)
Cash generated from operations	418.45
Income taxes paid	(115.80)
Net cash inflow from operating activities	302.65
Cash flows from investing activities	
Payments for property, plant and equipment	(147.96)
Payments for purchase of investments	2.63
Increase decrease in other bank Balances	(2.33)
Loans (given) / repaid	(18.02)
Proceeds from sale of property, plant and equipment	9.42
Guarantee Commission Received	1.33
Interest received	12.52
Net cash outflow from investing activities	(142.41)

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2017

Particulars	(₹ in crores) Year ended 31 March, 2017
Cash flows from financing activities	
Proceeds from borrowings Long Term	342.39
Repayment of borrowings Long Term	(440.65)
Proceeds/(Repayment) on Short Term Borrowings (Net)	33.35
Expenses for increase in authorised share capital	(1.30)
Interest paid	(51.50)
Dividends paid to company's shareholders	(19.37)
Net cash (outflow) from financing activities	(137.08)
Net increase (decrease) in cash and cash equivalents	23.15
Cash and cash equivalents acquired on account of merger	34.80
Effects of exchange rate changes on cash and cash equivalents	0.66
Cash and cash equivalents at end of the year	58.61
Reconciliation of cash and cash equivalents as per the cash flow statement	
Cash and cash equivalents as per above comprise of the following	
Balances with banks	
- in current accounts	56.24
- in EEFC accounts	0.53
Deposits with maturity of less than three months	1.58
Cash on hand	0.26
Total cash and cash equivalents	58.61

Note:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The amalgamation of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Company, being a non cash transaction, has no impact on the Company's cash flow for the year. (Refer Note No. 28(ii))

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

Note : Pre merger, there were no subsidiaries of Dishman Carbogen Amcis Ltd. as on 31.03.2016. Therefore, previous year's figures have not been given.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah

Partner
Membership No. 122071

Place : Ahmedabad

Date : 16th May, 2017

For V. D. Shukla & Co.

Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla

Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas

Chairman & Managing Director

Arpit J. Vyas

Managing Director & CFO

Place : Ahmedabad

Date : 16th May, 2017

Deohooti J. Vyas

Whole Time Director

Shrima Dave

Company Secretary

Statement of changes in equity

for the year ended 31st March, 2017

A. Equity share capital

Particulars	31 March 2017	
	No. of Shares	₹ in crores
Balance at the beginning of the reporting period	2,50,000	0.05
Add: Issued during the year-Change in face value per share from ₹ 10 to ₹ 2	-	-
Less: Cancelled on account of merger (Refer Note No. 28(i))	(2,50,000)	(0.05)
Balance at the end of the reporting period	-	-

Statement of Changes in Equity

(₹ in crores)

	Shares suspense account	Reserves and Surplus				Foreign Currency Translation Reserve	Total
		General Reserve	Securities Premium Reserve	Debeture Redemption Reserve	Retained Earnings		
Balance as on 01.04.2016 (Acquired on account of merger (Refer Note No. 28(i)))	-	-	-	-	(76.21)	170.32	94.11
Profit/ (Loss) for the year	-	-	-	-	145.43	-	145.43
Other Comprehensive Income for the year	-	-	-	-	15.26	(214.01)	(198.75)
Total Comprehensive Income for the year	-	-	-	-	160.69	(214.01)	(53.32)
Interim Dividend paid by DPCL (Refer Note No. 28(iii))	-	-	-	-	(19.37)	-	(19.37)
Expenses debited for increase in authorised share capital	-	-	-	-	(1.30)	-	(1.30)
Issue of bonus shares by DPCL (Refer Note No. 28(ii))	-	-	-	-	(16.14)	-	(16.14)
Shares to be issued to shareholders of DPCL (Refer Note No. 28(i))	4,810.00	-	-	-	-	-	4,810.00
Balance as on 31.03.2017	4,810.00	-	-	-	47.67	(43.69)	4,813.98

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah

Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.

Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla

Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas

Chairman & Managing Director

Arpit J. Vyas

Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas

Whole Time Director

Shrima Dave

Company Secretary

Notes

forming part of the financial statements

1.0 Background

Dishman Carbogen Amcis Limited (CIN: U74900GJ2007PLC051338) is a public company limited by shares incorporated on 17th July, 2007 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat. The Company and its subsidiaries (the 'Group') is engaged in Contract Research and Manufacturing Services (CRAMS) and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants with presence in Switzerland, UK, Europe, China and other countries. It has manufacturing and research facilities in India, Switzerland, France, Netherland and China. The equity shares of Dishman Pharmaceuticals and Chemicals Limited are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges"). With regard to merger of DPCL with the Company, Refer Note No. 28 to the Consolidated Financial Statements.

2.0 Significant accounting policies

2.1 Basis of Preparation

These Consolidated Financial Statements of Dishman Carbogen Amcis Limited (the 'Company') and its subsidiaries (hereafter referred to as 'the Group') and its associates have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) of India under the historical cost convention and on accrual basis of accounting unless stated otherwise. GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (The 'Act'), and other provisions of the Act.

Prior to merger of DPCL with the Company which has been accounted for during the year, there were no subsidiaries of the Company as on 31st March, 2016. Accordingly, no consolidated financial statements have been prepared for previous year. Pursuant to merger, the subsidiaries of DPCL have become subsidiaries of the Company and accordingly, consolidated financial statements have been prepared for the year ended 31st March, 2017. These financial statements are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is April 1, 2015.

2.2 Statement of Compliance

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) and other relevant provisions of the Act.

2.3 Basis of Consolidation:

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exist when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affects those returns through power over the entity. In accessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. For the purpose of preparing these consolidated financial statements, the accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance sheet respectively.

Associates and Joint ventures (Equity accounted investee)

Associates are those entities over which the Company 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. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, 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 Company has an obligation or has made payments on behalf of the investee.

Notes (Contd.)

forming part of the financial statements

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

2.4 Business Combination

- (i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.
- (ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.
- (iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.
- (iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.
- (v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.
- (vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.
- (vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- (viii) Any goodwill that arises on account of such business combination is tested annually for impairment.
- (ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.
- (x) The Company has elected to not apply Ind AS 103 "Business Combinations" retrospectively to past business combinations pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards" (Ind AS 101).
- (xi) In respect of merger of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Holding Company, the accounting treatment has been given as per the Court approved scheme.

2.5 Inventories

Inventories are valued at cost as per moving weighted average price or net realisable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Inventories of stores and spare parts are valued at cost.

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

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2.6 Property, plant and equipment

Freehold land is carried at historical cost and not depreciated. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non cenvatable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located. Properties in the course of construction are carried at cost, less any recognised impairment loss. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on the subsequent cost capitalisation are depreciated over the remaining useful life of the assets.

Depreciation has been provided on straight line method and in the manner specified in Schedule II of the Companies Act, 2013 based on the useful life specified in Schedule II except where management estimate of useful life is different.

The useful lives have been determined based on technical evaluation done by the management's expert taking into account the nature of the asset, past history of replacement, anticipated technology changes etc.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.7 Goodwill and Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

In respect of business combination that occurred prior to transition date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increase the future economic benefits embodied in the specific assets to which it relates. All other expenditure are recognised in profit or loss as incurred.

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Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets upto ten years from the date that they are available for use.

Goodwill arising on merger of Dishman Pharmaceuticals and Chemicals Ltd (DPCL) with the Company has been recognised as per the Court scheme. Said Goodwill has been amortised in accordance with the Court scheme for which the Company has estimated useful life of 15 years.

Internally generated intangible asset: Research and Development

Expenditure on research activity is recognised as expense in the period in which it is incurred. An internally generated intangible asset arising from development is recognised, if any only if, all of the following conditions have been fulfilled:

- Development costs can be measured reliably
- The product or process is technically and commercially feasible. Future economic benefits are probable and
- The Group intends to and has sufficient resources to complete development and to use or sell the asset.

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties are depreciated using the straight-line method over their estimated useful lives.

2.9 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

2.10 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.11 Impairment of non-financial assets

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

2.12 Foreign Currency transaction/ translation

Transaction and balances

Transactions in foreign currencies are initially recognised in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation

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differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign exchange differences regarded as an adjustment to the borrowing cost are presented in the Statement of profit or loss with in finance cost. All other foreign currency differences arising on translation are recognised in statement of profit and loss on net basis with in other gain/ (losses).

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Consolidated Statement of Profit and Loss as a part of gain or loss on disposal.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are net of returns, trade discount, rebates, sales tax and value added taxes.

Sale of goods

Revenue from sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards varied depending on the individual terms of the sales agreement.

Sales of services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion of the contract is determined based on actual service provided as a proportion of the total service to be provided. Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Dividend and interest income

Dividend is recognised as income when the shareholder's right to receive payment has been established (provided that 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 time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives

Duty drawback and Focus marketing scheme (FMS) benefits are recognized at the time of exports and the benefits in respect of advance license received by the Group against export made by it are recognized as and when goods are imported against them.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Group's contribution to provident fund, employee state insurance scheme, superannuation fund and certain pension schemes are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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Defined benefit plans

For defined benefit plans in the form of gratuity fund and pension, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.15 Taxation

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

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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.

Deferred tax

Deferred tax is recognised 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all 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 (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised 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 asset to be recovered.

Deferred tax liabilities and assets 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.

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The measurement of deferred tax liabilities and assets reflects 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.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such setoff.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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.

2.16 Leases

Finance lease

Leases where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

(i) Classification, recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain and loss on derecognition of the financial instrument measured at amortised cost recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement. Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method. On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which arise.	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Change in fair value of such instrument is recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments is however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets is recorded in income statement.

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All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) **Impairment:**

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 e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward- looking estimates are analysed.

(iii) **Derecognition of financial assets:**

A financial asset is derecognised only when

- (a) the company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) **Foreign exchange gain or losses:**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss except for those which are designated as hedging instruments in the hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purpose of recognising foreign exchange gain and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

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(v) Investments in Subsidiaries:

The Company has availed an option stated under Ind AS 101 and measured investments in equity instruments of subsidiaries at Cost as per Ind AS 27. The Carrying amount is reduced to recognise impairment, if any, in value of investments.

B. Financial liabilities and equity instruments :

Debt and equity instruments issued by an entity 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.

Classification, recognition and measurement:

(a) Equity Instruments:

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

(b) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories :

- at amortised cost
- at fair value through profit or loss (FVTPL)

(i) Financial liabilities at amortised cost:

The company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

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 gains and losses' line item.

Derecognition:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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(c) Financial guarantees contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

C. Derivative financial instruments :

Foreign exchange forward contracts are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. Derivative contracts which do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through profit or loss. Gain or loss arising from changes in the fair value of the derivative contracts are recognised in profit or loss. Gain or loss arising on forward contract relating to forecast sales are included under Other Operating Income in the Statement of Profit and Loss.

D. Offsetting financial instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Fair value measurement:

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.19 Provisions and Contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

2.20 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

2.21 Cash and cash equivalent:

Cash and cash equivalent in the balance sheet comprises cash at bank 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.22 Dividend distribution to equity shareholders:

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

2.23 Earnings per share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.24 Current/ Non-current classification:

An assets is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

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2.25 Ind AS Standard not yet notified:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable to the company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is currently not having any cash settled share based payments. No impact is currently foreseen.

2.26 Significant accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements in conformity with Ind AS requires 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Group's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- a. **Useful lives of property, plant and equipment and Goodwill:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised. The goodwill recorded on merger has been amortised based on its estimated benefit / estimated useful life of 15 years.
- b. **Arrangement containing lease:** At the inception of an arrangement whether the arrangement is or contain lease. At the inception or reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are not in the nature of lease.
- c. **Service Income:** The group uses the percentage of completion method in accounting for its fixed price contract. Use of percentage of completion requires the group to estimate the service performed to date as a proportion of the total service to be performed. Determination of the stage of completion is technical matter and determined by the management experts.
- d. **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

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- e. Defined benefit plan:** The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- f. Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- g. Allowances for inventories:** Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.
- h. Impairment of non-financial assets:** The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
- In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.
- i. Taxation:** Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.
- j. Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

Note 2: Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office equipment & Computer & Printers	Electrical Installations	Laboratory Equipments	Total	Capital work-in-progress
Year ended 31 March 2017											
Gross carrying amount											
Opening gross carrying amount											
Acquisition on account of merger (Refer Note No. 28(i))	138.68	132.61	604.37	1,375.67	37.63	7.40	29.56	50.29	20.91	2,397.13	125.86
Additions	17.48		29.57	82.42	2.41	5.76	1.45	1.39	1.27	141.75	92.92
Disposals			(2.07)	(11.47)	(0.50)	(0.07)	(0.32)			(14.43)	(0.14)
Transfers											(92.25)
Exchange Differences	(0.09)		(34.17)	(64.65)	(2.26)		(1.80)			(102.97)	
Closing gross carrying amount	156.08	132.61	597.70	1,381.97	37.20	13.09	28.89	51.68	22.18	2,421.40	126.39
Accumulated depreciation and impairment											
Acquisition on account of merger (Refer Note No. 28(i))		(1.90)	(251.57)	(721.98)	(28.69)	(1.74)	(25.77)	(5.61)	(3.04)	(1,040.30)	
Depreciation charge during the year		(1.52)	(22.36)	(86.00)	(1.81)	(1.70)	(1.05)	(4.84)	(1.63)	(120.91)	
Impairment loss											
Disposals			(0.26)	8.04	0.39	0.05	0.28			8.50	
Exchange Differences			16.38	54.69	1.81		1.71			74.59	(4.86)
Closing accumulated depreciation and impairment		(3.42)	(257.82)	(745.36)	(28.30)	(3.38)	(24.84)	(10.44)	(4.67)	(1,078.13)	(4.86)
Net carrying amount	156.08	129.19	339.88	636.71	8.78	9.71	4.06	41.24	17.51	1,343.36	121.53

Note:

- (i) **Property, plant & Equipment pledged as a security:** Refer note 12 for information on Property, plant & Equipment pledged as a security by the group
- (ii) **Contractual Obligation :** Refer note 30 for disclosure of Contractual Obligation for the acquisition of Property, plant & Equipment.
- (iii) Plant and machinery held under finance lease

(₹ in crores)

Particulars	31.03.2017
Cost	56.10
Accumulated depreciation	11.04
Net carrying amount	45.05

The lease term is respect of assets acquired under finance leases generally expire within 3 to 6 years. Under the terms of the leases, group has the option to purchase the leases asset at the end of the term below their fair value. Leased assets are pledged as security for the related finance lease liabilities.

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Note 3: Investment properties		(₹ in crores)
Particulars		31 March 2017
Gross carrying amount		
Acquisition on account of merger (Refer Note No. 28(ii))		6.84
Additions		-
Translation Adjustments		(0.57)
Closing gross carrying amount		6.27
Accumulated depreciation		
Acquisition on account of merger (Refer Note No. 28(ii))		1.60
Depreciation charged during the year		0.19
Translation Adjustments		(0.15)
Closing accumulated depreciation		1.64
Net carrying amount		4.63
(i) Amounts recognised in profit or loss for investment properties		(₹ in crores)
Particulars		31 March 2017
Rental income		0.25
Direct operating expenses (including repairs and maintenance) generating rental income		-
Less: Depreciation		(0.19)
Profit from investment properties		0.06
(ii) Fair value		(₹ in crores)
Particulars		31 March 2017
Investment properties		7.71
Estimation of fair value		
The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.		
The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.		
Investment property comprises of few properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of one month. Subsequent renewals are negotiated with the lessee.		

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Note 4: Intangible assets					(₹ in crores)
Particulars	Computer software	Copyrights, patents & other IPR, services and operating rights	Brands/ Trademarks	Total	Goodwill
Year ended 31 March 2017					
Gross carrying amount					
Opening gross carrying amount					
Acquisition on account of merger (Refer Note No. 28(ii))	31.63	63.08	18.18	112.89	1,326.86
Goodwill on Consolidation	-	-	-	-	2,501.91
Additions	2.49	0.83	3.01	6.33	-
Translation Adjustments	(1.91)	(4.74)	(1.15)	(7.79)	(174.62)
Closing gross carrying amount	32.22	59.17	20.05	111.43	3,654.15
Accumulated amortisation and impairment					
Opening accumulated amortisation	-	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(ii))	(21.42)	(32.75)	(8.86)	(63.03)	(110.56)
Amortisation charge for the year	(2.70)	(1.18)	(0.05)	(3.94)	(88.46)
Translation Adjustments	1.45	2.29	0.55	4.30	-
Closing accumulated amortisation and impairment	(22.67)	(31.64)	(8.36)	(62.67)	(199.02)
Closing net carrying amount	9.55	27.53	11.69	48.76	3,455.13

Goodwill

The goodwill at each CGU level is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using the net present value of the projected post-tax cashflows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Goodwill acquired through business combinations has been allocated to their underlying geographical classification:

		(₹ in crores)
CGUs (Goodwill)		31 March 2017
India		1,127.84
Switzerland		2,042.95
UK, Netherlands & Europe		190.79
China		76.21
Rest of the World		17.34
		3,455.13

Key assumptions used in the value in use calculations

The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminal growth rate thereafter of 2% to 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable.

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Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 7.35% to 10.9% for the year ended March 31, 2017.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2017.

Note 5: Financial assets

5(a) Non-current investments

(₹ in crores)

Particulars	% of Holding	31 March 2017
Investment in equity instruments (fully paid-up)		
A) Quoted		
Investment in Quoted Equity shares carried at Fair value through Other Comprehensive Income		
Bank of India		0.03
(March 31, 2017: 2,100 equity shares of Face value of ₹ 10/- each fully paid up)		
B) Unquoted		
Investment in other entities which are carried at fair value through Other Comprehensive Income		
CAD Middle East Pharmaceuticals Industries LLC	10.95	39.56
(March 31, 2017: 21,900 equity shares of Face value of SAR 1,000/- each fully paid up)		
Nami Trading Co-FZE LLC		0.03
(March 31, 2017: 15 equity shares of Face value of AED 1,000/- each fully paid up)		
Stuti(Ambawadi) Owners' Association		0.00
(March 31, 2017: 30 equity shares of Face value of ₹ 100/- each fully paid up)		
Sangeeta Plaza iflex Office Premises Co-op Society Ltd.		0.00
(March 31, 2017: 50 equity shares of Face value of ₹ 50/- each fully paid up)		
Total (equity instruments)		39.62
Total non-current investments		39.62
Aggregate amount of quoted investments and market value thereof		0.03
Aggregate amount of unquoted investments		39.59
Aggregate amount of impairment in the value of investments		-

Note:

- All the above shares have been acquired by the Company at fair value as on 01.01.2015 on account of merger of Dishman Pharmaceuticals and Chemicals Ltd.

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2. Equity Shares designated as at Fair value through Other Comprehensive Income:

At 1st April, 2016 the Company designated the investments shown below as equity shares at Fair value through Other Comprehensive Income because these equity shares represent investments that the company intends to hold for long term strategic purpose.

	(₹ in crores)
Particulars	Fair value as at 31 March 2017
1. CAD Middle East Pharmaceuticals Industries LLC	39.56
2. Nami Trading Co-FZE LLC	0.03
3. Bank of India	0.03

5(b) Trade receivables

	(₹ in crores)
Particulars	31 March 2017
Unsecured, Considered good	301.01
Less: Allowances as per expected credit loss model	(15.46)
	285.55
Unsecured, Considered doubtful	3.40
Less: Allowance for doubtful debts	(3.40)
	-
Total receivables	285.55
Current portion	285.55
Non-current portion	-

Note :

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person
- Trade receivable due from private companies in which any director is a partner, director or a member is ₹ 1.21 crores.
- Trade receivable are non-interest bearing and are generally on credit terms in the range of 30 to 120 days.
- The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 37.
- For receivables secured against borrowings see Note 12.

5(c) Loans

	(₹ in crores)	
Particulars	31 March 2017	
	Current	Non- current
Unsecured, considered good		
Loan to related parties (Refer Note No. 32)	38.06	33.41
Loan to employees	0.38	-
Other Loans	57.39	1.60
Total loans	95.82	35.01

Note: Of the above, loan amounting to ₹ 71.47 crores is given to the Companies in which Company's Director is also a director.

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5(d) (i) Cash and cash equivalents		(₹ in crores)
Particulars		31 March 2017
Balances with banks		
- in current accounts		56.24
- in EEFC accounts		0.53
Deposits with maturity of less than three months		1.58
Cheques, drafts on hand		-
Cash on hand		0.26
Total cash and cash equivalents		58.61
5(d) (ii) Bank Balances Other than Cash and cash equivalents		(₹ in crores)
Particulars		31 March 2017
(a) Earmarked balances with banks for:		
(i) Unpaid Dividend		0.08
(ii) Balances held as margin money or security against borrowings, guarantees and other commitments		10.35
(b) in other deposits		18.34
Total Bank balances other than Cash and cash equivalents		28.78
5(e) Other financial assets		(₹ in crores)
Particulars	31 March 2017	
	Current	Non- current
Unsecured, considered good unless otherwise stated		
(a) Fixed deposits having maturity of more than one year	-	0.45
(b) Interest Receivable	12.41	-
(c) Guarantee Commission Receivable	7.60	-
(e) Foreign Exchange Forward Contract Receivables	20.87	-
(e) Other receivables	104.47	2.32
Total other financial assets	145.35	2.77
Note 6 (a) : Deferred tax assets		(₹ in crores)
Particulars		31 March 2017
Deferred tax asset on account of:		
Unabsorbed losses		18.72
Provision for post retirement benefits		0.56
Others		0.02
		19.29
Deferred tax liability on account of:		-
Depreciation		(0.16)
		(0.16)
Net deferred tax assets/(Liabilities)*		19.13
*Represent aggregate for entities having net deferred tax assets		

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Note 6 (b) : Deferred tax Liabilities

The balance comprises temporary differences attributable to:

(₹ in crores)

Particulars	31 March 2017
Deferred tax asset on account of:	
Unabsorbed losses	147.72
Provision for post retirement benefits	31.37
Loans	1.55
Others	7.84
	188.48
Minimum alternate tax (MAT) credit Entitlement	29.70
	218.17
Deferred tax liability on account of:	
Depreciation	(299.85)
Inventory	(15.54)
Others	(2.19)
	(317.58)
Net deferred tax assets/(Liabilities)*	(99.41)

*Represent aggregate for entities having net deferred tax liabilities

Note 6 (c) Movements in deferred tax assets/liabilities

(₹ in crores)

	Net balance April 1, 2016*	Recognised in profit or loss	Recognised in OCI	Translation Adjustments	March 31, 2017		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Unabsorbed losses	144.62	24.12	-	(2.06)	166.69	166.69	-
Provision for post retirement benefits	35.68	2.10	1.34	(2.15)	36.98	36.98	-
Depreciation	(260.71)	(47.23)	-	1.31	(306.63)	-	(306.63)
Inventory	(14.47)	(2.06)	-	0.99	(15.54)	-	(15.54)
Loans	1.55	-	-	-	1.55	1.55	-
Investments	1.46	-	0.20	-	1.66	1.66	-
Others	5.21	0.31	-	(0.20)	5.32	5.32	-
Deferred tax assets (Liabilities)	(86.66)	(22.76)	1.54	(2.10)	(109.98)	212.19	(322.17)
Minimum Alternate Tax (MAT) credit entitlement	22.18	7.51	-	-	29.70	29.70	-
Net Deferred tax assets/(Liabilities)	(64.48)	(15.25)	1.54	(2.10)	(80.28)	241.89	(322.17)

* Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company.

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6(d) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Minimum Alternative Tax (MAT credit) balance as on March 31, 2017 amounts to ₹ 29.70 crores. The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 7: Other non-current assets		(₹ in crores)
Particulars		31 March 2017
Unsecured considered good, unless otherwise stated		
(a) Capital advances		
Considered Good		165.62
Considered Doubtful		3.10
		<u>168.72</u>
Less: Provision for doubtful advances		(3.10)
		<u>165.62</u>
(b) Recoverable from Sales tax & Excise authorities		<u>13.47</u>
Total other non-current assets		179.09

Note 8 : Inventories (At lower of cost and net realisable value)		(₹ in crores)
Particulars		31 March 2017
(a) Raw materials		90.78
(b) Work-in-progress		193.64
(c) Finished goods		136.58
(d) Stores and spares		5.56
Total inventories		426.58

Note:

1. For Inventories pledged as securities against borrowings, see Note 12.

Note 9: Current Tax Assets/Liabilities		(₹ in crores)
Particulars		31 March 2017
Current tax assets		
Advance income tax (Net of provisions)		87.64
		87.64
Current tax Liabilities		
Provision for current tax (Net of advance tax)		46.88
		46.88

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Note 10: Other current assets

(₹ in crores)

Particulars

31 March 2017

Unsecured considered good, unless otherwise stated

(a) Advances other than Capital advances	
(i) Prepaid Expenses	3.09
(ii) Advances & other recoverables	
Considered Good	177.74
Considered Doubtful	0.15
	177.89
Less: Provision for doubtful advances and other recoverables	(0.15)
	177.74
(b) Recoverable from Service Tax, Excise, VAT authorities	23.89
Total other current assets	204.72

Note 11: Equity share capital and other equity

11 (a) Equity share capital

Authorised equity share capital

(₹ in crores)

Particulars	Number of shares	Amount
As at 01 April 2016	50,00,000	1.00
Increase on account of merger (Refer Note No. 28 (i))	16,52,50,000	33.05
As at 31 March 2017	17,02,50,000	34.05

(i) Issued and subscribed share capital

Particulars	Number of shares	Face Value	Equity share capital (par value) (₹ in crores)
As at 1 April 2016	2,50,000	2	0.05
Cancelled on account of merger (Refer Note No. 28 (i))	(2,50,000)	2	(0.05)
As at 31 March 2017*	-	-	-

* The Company has not yet allotted the equity shares to shareholders of DPCL pursuant to Scheme of Merger till 31.03.2017.

(ii) Shares of the Company held by holding/ultimate holding company (Refer Note No. 28 (i))

(iii) Details of shareholders holding more than 5% shares in the Company (Refer Note No. 28 (i))

- (iv) The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. All shares rank equally with regard to the Company's residual assets.
- (v) During the year on February 13, 2017, the Board of Directors of DPCL has declared and paid Interim Dividend of ₹ 1.20 per share on 16,13,94,272 equity shares which has been accounted for by the Company in its retained earnings.

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- (vi) The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL") and Dishman Care Ltd. ("DCL") with Carbogen Amcis (India) Ltd. ("CAIL") in terms of the provisions of Section 391 to 394 of the Companies Act, 1956 ("Scheme"). On March 27, 2017, the name of CAIL has been changed to DCAL. Upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL will stand cancelled. The Company is in process of fixing Record Date for allotment of equity shares of DCAL to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and thereafter the new shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

11(b) Other Equity		(₹ in crores)
Particulars		31 March 2017
(a) Shares suspense account		4,810.00
(b) Capital Reserve		-
(c) Securities Premium Reserve		-
(d) General Reserve		-
(e) Debenture redemption reserve		-
(f) Surplus/(Deficit) in Statement of Profit and Loss		47.67
(g) Other Comprehensive Income - Foreign Currency Translation Reserve		(43.69)
Total reserves and surplus		4,813.98
Movement in Reserves		
(i) Retained earnings		(₹ in crores)
Particulars		31 March 2017
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance (Acquired on account of merger (Refer Note No. 28(i))		(76.21)
Add: Net profit for the year including Other Comprehensive Income		160.69
Less : Interim Dividend paid by DPCL (Refer Note No. 28(iii))		(19.37)
Less : Expenses debited for increase in authorised share capital		(1.30)
Less : Issue of bonus shares by DPCL (Refer Note No. 28(ii))		(16.14)
Closing balance		47.67

Retained earnings represents surplus/ accumulated earnings of the Group.

(ii) Shares Suspense account

The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ('DPCL') and Dishman Care Ltd. ('DCL') with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956. The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 Sanctioned the Scheme. The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and therefore till such time the shares are being issued to the shareholders, the said amount including premium is shown as Shares suspense account.

Notes (Contd.)

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Note 12: Financial liabilities

12(a) (i) Non-current borrowings

Particulars	Note	(₹ in crores) 31 March 2017
Secured		
Term loans		
From banks	(a)	214.56
Long-term maturities of Hire purchase obligations	(b)	0.64
Obligations under finance leases	(b)	26.25
Unsecured		
Term Loan		
From banks	(a)	204.44
From other parties		14.22
Total non-current borrowings		460.12

Note:

(a) Term loans (₹ in crores)

Name of the bank	Terms of repayment and security	31 March 2017
Bank of Baroda	The Corporate Loan is secured by first Pari-passu charge on the Company's immovable and movable fixed assets at Bavla unit and second charge on SEZ land of M/s Dishman Infrastructure Ltd and Corporate Guarantee of M/s Dishman Infrastructure Ltd, repayable in 24 quarterly installment starting from June 2015 in ballooning fashion and ending on 31 March 2021.	47.54
State bank of India	The term loan is secured by first pari-passu charge on the Company's fixed assets including mortgage over land & Buildings and Hypothecation of plant & machinery at Bavla unit alongwith existing term lenders and second pari-passu charge on the entire current assets including stocks of RM, WIP and FG and receivables of the company ranking pari passu with other consortium lenders, repayable in 36 monthly installment starting from June 2017 and ending on May 2020.	64.97
HDFC Bank Ltd.	The Term Loan is secured by Charge on Dishman Corporate House property, Amblic Road, Opp. Annapurna Farm House, Satelite Area, Ahmedabad. Repayble in 17 equal quarterly installments starting from Apr 2018 ending on March 2022.	31.47
Credit Suisse AG	Loan is secured by Building No 167, Repayment 0.02 Mn CHF p.a. and repayable in 2018.	3.85
Credit Suisse AG	Loan is secured by Building No 145, Repayment 0.15 Mn CHF p.a. and repayable in 2018.	18.43
Credit Suisse AG	Loan is secured by Inventory, Debtors of Carbogen Amcis AG, repayment in Annual installment and repayable in 2018.	25.87

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(₹ in crores)		
Name of the bank	Terms of repayment and security	31 March 2017
ABN AMRO Bank N.V.	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Property, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV. The Term loan is repayable in equal monthly installments of EURO 0.02 million and ending on February, 2029.	14.30
ABN AMRO Bank N.V.	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Property, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV. The Term loan is repayable in equal quarterly installments of EURO 0.25 million and repayable in 2018.	8.15
Total non-current secured borrowings		214.56
Bank of Baroda - New York	The Term loan is unsecured and repayable in equal quarterly installments of USD 1.25 million and ending on September, 2021.	113.49
ICICI Bank Ltd.	The Term loan is unsecured and repayable in equal quarterly installments of USD 1.28 million and ending on October, 2020	90.95
Total non-current unsecured borrowings		204.44

(₹ in crores)		
(b) Long-term maturities of Hire purchase obligations		
Name of the bank	Terms of repayment and security	31 March 2017
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	0.12
HDFC Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	0.01
Corporation Bank	Hire Purchase Finances are secured by hypothecation of respective assets	0.51
Credit Suisse AG	Finance Lease secured by hypothecation of respective assets	25.27
Lombard	Finance Lease secured by hypothecation of respective assets	0.98
Total of Long-term maturities of Hire purchase obligations		26.89

Note:

- (a) The interest from banks range from LIBOR+1.00% (in foreign currency Term loans) To MCLR+3.10 % (in rupee currency loans).
 (b) For current maturities of long term borrowings, refer Note -12 (c)

12(a) (ii) Current borrowings (₹ in crores)		
Particulars	Note	31 March 2017
Secured		
Loans repayable on demand		
From banks	(a)	338.30
Finance lease obligations	(b)	0.47
Unsecured		
Loan from banks	(a)	46.18
Total current borrowings		384.95

Notes (Contd.)

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(a) Details of loans from bank		(₹ in crores)
Name of the bank	Nature of Security	31 March 2017
Corporation Bank	Hypothecation of Inventories, collateral security of book debts, first charge on	24.88
Bank of Baroda	Company's fixed asset at Naroda DTA plant located at Plot No. 1216/12, 1216/20	33.13
State Bank of India	to 23, Phase IV, and Plot No. 67, Phase I, GIDC Estate, Naroda, Ahmedabad unit	37.98
Doha Bank	and second charge on fixed asset at Bavla.	40.91
DBS Bank		44.15
Societe Generale bank	First Charge on Company's fixed asset at Naroda EOU plant situated at Plot No. 1216/24 to 1216/27 and 1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad.	29.08
ABN AMRO Bank	Mortgage of all land and buildings and investment properties, pledge on all inventories, pledge on trade receivables, pledge on plant and equipments of Dishman Netherland BV	6.97
Bank of Baroda - New York	Loan is secured by first charge on entire current assets, existing and future including stock, finished goods, products, account receivables, cash and bank balances and equipment and furniture of Dishman USA Inc.	9.24
ICBC Bank, China	Hypothecation of Inventories, Collateral security of book debts, first charge on Company's fixed asset at CARBOGEN AMCIS (Shanghai) Co. Ltd.	18.80
Nat West Bank	Factoring Facility - Loan is secured by Receivables	16.21
Credit Suisse AG	Hypothecation of Inventories, collateral security of book debts, Negative Pledge of fixed assets of CARBOGEN AMCIS AG.	76.95
Deutsche Bank	Unsecured	46.18
Total Current borrowings		384.48

(b) Hire purchase Obligation:		(₹ in crores)
Name of the bank	Terms of repayment and security	31 March 2017
Lombard	Lease secured by hypothecation of respective assets	0.47
		0.47

(C) Details of short-term borrowings guaranteed by a director:

One of the directors has given guarantee against certain secured working capital loans to the extent of market value of his specified office premise.

12(b) Trade payables		(₹ in crores)
Particulars		31 March 2017
Current		
Trade payables (Refer Note No. 27)		84.43
Trade payables to related parties (Refer Note No. 32)		1.21
Total trade payables		85.64

Note:

1. All trade payables are current
2. The group's exposure to currency and liquidity risks related to trade payable is disclosed in Note 37.

Notes (Contd.)

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12(c) Other financial liabilities		(₹ in crores)
Particulars		31 March 2017
Current		
(i) Current maturities of long-term debt		94.06
(ii) Current maturities of finance-lease obligations		10.58
(iii) Interest accrued but not due on borrowings		0.23
(iv) Unpaid dividends		0.08
(v) Others		61.15
Total other current financial liabilities		166.09

Note 13: Provisions		(₹ in crores)		
Particulars	31 March 2017			
	Current	Non- current		Total
(a) Provision for Employee Benefits:				
(i) Compensated absences (Refer Note No. 34)	0.20	1.02		1.22
(ii) Gratuity (net) (Refer Note No. 34)	1.06	5.57		6.63
(iii) Pension (Refer Note No. 34)	-	177.62		177.62
(b) Other Provisions:				
(i) Asset Retirement Obligation	-	29.64		29.64
(ii) Provision for onerous Contract	17.73	-		17.73
(iii) Environmental Provision	-	7.55		7.55
Total	19.00	221.40		240.39

Information about provisions

(a) Asset Retirement Obligation

A provision has been recognised for decommissioning costs obligation as per lease agreement for factory located at Switzerland. The provision has been made to include the present value of expected future decommissioning cost of the site in total.

(b) Provision for onerous Contract

In Switzerland, a provision has been recognised where cost to fulfil the terms of project contracts are higher than financials and economics benefits to be received. The provision is measured at best estimate of expenditure required to settle the present obligation.

(c) Environmental Provision

In accordance with Netherland law, land contamination done to the manufacturing activities by the Group's subsidiary in Netherland must be restored to its original condition when it was bought. Because of the long term nature of the liability, the biggest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are available currently. The provision has been calculated using a discount rate of 1% which is the risk free rate in Netherland. The rehabilitation is expected to occur progressively over the next 5 years.

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(ii) Movements in provisions

Movements in each class of provision during 2016-17, are set out below: (₹ in crores)

Particulars	Asset Retirement Obligation	Onerous Contract	Environmental Provision	Total
As at 1 April 2016*	29.96	7.76	8.24	45.96
Charged/(credited) to profit or loss				
additional provisions recognised	-	10.98	-	10.98
Unused amounts reversed	-	-	-	-
Unwinding of discount	1.61	-	-	1.61
Amounts used during the year				
Translation Adjustments	(1.93)	(1.00)	(0.69)	(3.62)
As at 31 March 2017	29.65	17.74	7.55	54.93

* Acquired on account of merger (Refer Note No. 28(i))

Note 14: Other Non-Current Liabilities

(₹ in crores)

Particulars	31 March 2017
Other Payables	4.86
Total other non-current liabilities	4.86

Note 15: Other current liabilities

(₹ in crores)

Particulars	31 March 2017
(i) Statutory dues payables	19.41
(ii) Advances from customers	145.82
(iii) EMD and Retention money	12.02
(iv) Other payables	113.85
Total other current liabilities	291.10

Note 16 : Revenue from Operations

The entity derives the following types of revenue:

(₹ in crores)

Particulars	For the year Ended March 31, 2017
(a) Sale of products (including excise duty) (Refer Note (i))	933.52
(b) Sale of services (Refer Note (ii))	700.34
(c) Other operating revenue (Refer Note (iii))	79.83
Total revenue from operations	1,713.69

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		(₹ in crores)
Particulars		For the year Ended March 31, 2017
(i) Sale of products comprises :		
Sale of manufactured goods		920.16
Sale of traded goods		13.36
Total - Sale of products		933.52
(ii) Sale of services comprises :		
Sales of Services		699.99
Sales Commission		0.35
Total - Sale of services		700.34
(iii) Other operating revenues comprise:		
Sale of scrap		0.32
Duty Drawback income		15.43
Forex Gain on forward contracts against sales		56.69
Others		0.02
Sales of Raw Material		7.37
Total - Other operating revenues		79.83

		(₹ in crores)
Note 17: Other income		
Particulars		For the Year Ended 31st March, 2017
Interest income (Refer Note (i))		12.52
Net gain on foreign currency transactions and translation		3.19
Guarantee Commission Received		1.33
Income from Travel Business		0.50
Rental Income		0.25
Net gain on disposal of property, plant and equipment		2.66
Others		5.68
Total other income		26.13

		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
Note (i) : Interest income comprises:		
Interest on loans and advances given to related parties		4.55
Interest on loans and advances given to others		0.03
Other interest		7.94
Total - Interest income		12.52

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Note 18 : Cost of materials Consumed		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
Raw materials at the beginning of the year (Acquired on account of merger - Refer Note No. 28(i))		147.41
Add: Purchases		259.81
		407.22
Less: Raw material at the end of the year		(90.78)
Total cost of materials consumed		316.44
Note 19: Changes in inventories of work-in-progress, stock-in-trade and finished goods		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
Acquisition of inventory on merger (Refer Note No. 28(i))		
Work-in progress		209.24
Finished goods		120.70
Total opening balance		329.94
Inventories at the end of the year		
Work-in progress		193.64
Finished goods		136.58
Total closing balance		330.22
Total changes in inventories of work-in-progress, stock-in-trade and finished goods		(0.28)
Note 20: Employee benefit expense		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
(a) Salaries and wages		528.14
(b) Contributions to provident and other funds		38.73
(c) Staff welfare expenses		29.15
Total employee benefit expense		596.02
Note 21: Finance costs		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
(a) Interest on debts and borrowings		38.46
(b) Other Borrowing Cost		8.94
(c) Asset retirement obligation expenses		1.61
Total Finance costs		49.01

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Note 22: Depreciation and amortisation expense		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
(a) Depreciation of property, plant and equipment		121.10
(b) Amortisation of intangible assets and Goodwill		92.40
Total depreciation and amortisation expense		213.50
Note 23: Other expenses		(₹ in crores)
Particulars		For the Year Ended 31st March, 2017
Consumption of stores and spare parts		0.69
Other Manufacturing Expenses		7.58
Power and fuel		49.47
Laboratory Expenses		2.34
ETP Expenses		5.23
Rent including lease rentals		4.03
Repairs and maintenance - Buildings		17.27
Repairs and maintenance - Machinery		49.14
Repairs and maintenance - Others		15.77
Insurance		9.11
Telephone & Communication		6.14
Travelling and conveyance		8.28
Printing and stationery		3.50
Freight and forwarding		6.13
Sales commission		2.67
Advertising and Business promotion		49.54
Donations and contributions		3.41
Legal and professional		45.84
Bad trade and other receivables, loans and advances written off		0.33
Membership & Subscription		1.09
ECGC Premium		0.20
Office Electricity		0.27
Loss on fixed assets sold / scrapped / written off		0.38
Provision for doubtful trade and other receivables, loans and advances (net)		0.45
Management Fees		3.59
Foreign Exchange Loss		2.54
Impairment of Non Current Assets		6.17
Miscellaneous expenses		33.85
Total other expenses		335.02

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Note 24: Income tax expense		(₹ in crores)
Particulars		31 March 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year		55.40
Adjustments for current tax of prior periods		
Total current tax expense		55.40
Deferred tax		
Increase in deferred tax liabilities		22.76
MAT Credit		(7.51)
Total deferred tax expense/(benefit)		15.25
Income tax expense		70.65
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Particulars		(₹ in crores) 31 March 2017
Profit before income tax expense		216.08
Enacted income tax rate in India applicable to the Company 34.608%		74.78
Tax effect of:		
Permanent Disallowances		0.06
Tax effect of Remeasurement of the defined benefit plans		0.20
Foreign tax credit		1.87
Exempt Income		(3.42)
Profit/(Loss) of share in Associate		0.31
Deferred tax assets not created on unabsorbed losses		2.35
Difference due to differential Tax rates		(6.49)
Others		1.00
Income tax expense		70.65
Weighted average tax rate for the year		32.70%
(c) Amounts recognised in Other Comprehensive Income		
Particulars	(₹ in crores)	
	For the Year Ended 31st March, 2017	
	Before tax	Tax exp. (benefit)
Items that will not be reclassified to profit or loss		Net of tax
Remeasurement of the defined benefit plans	14.56	0.20
Equity instruments through Other Comprehensive income - net change in fair value	(0.84)	1.34
		0.50
(d) Amounts recognised directly in equity		
No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity and not in Statement of Profit or Loss or Other Comprehensive Income.		
(e) No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Company is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Group's retained earnings.		

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Note 25: Earnings per share		(₹ in crores)
Particulars		31 March 2017
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the Company		9.01
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the Company		9.01
(c) Reconciliations of earnings used in calculating earnings per share		(₹ in crores)
Particulars		31 March 2017
Basic earnings per share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:		
From continuing operations		145.43
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the Company:		
Used in calculating basic earnings per share		145.43
Adjustments		-
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share		145.43
(d) Weighted average number of shares used as the denominator		
Particulars		31 March 2017
		Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		16,13,94,272
Adjustments for calculation of diluted earnings per share:		-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share		16,13,94,272

Upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL stand cancelled. Accordingly, EPS for the year ended 31st March, 2017 has been calculated based on outstanding shares of DPCL. As per IndAS – 33 "Earnings per share", EPS is to be calculated on the basis of Net Profit after tax and amounts under Other Comprehensive Income (Net of tax) are not to be considered.

Note 26: Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30 2017. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, as per the notification are given below:

(₹ in crores)			
Particulars	SBNs*	Other Denomination Notes	Total in ₹
Closing cash in hand as on 8th November 2016	0.33	0.03	0.36
(+) Withdrawals from bank accounts	-	0.20	0.20
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	0.07	0.07
(-) Amount deposited in Banks	0.33	-	0.33
Closing cash in hand as on 30th December 2016	-	0.16	0.16

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November 2016.

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Note 27: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :

(₹ in crores)

Particulars	2016-17
a) Principal amount due to suppliers under MSMED Act, 2006	3.22
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.21
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	10.33
d) Interest paid to suppliers under MSMED Act (Section 16)	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	0.21
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.21

Note: The above information is given to the extent available with the Company and relied upon by the auditor.

Note 28 : Merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company

(i) The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ('DPCL') and Dishman Care Ltd. ('DCL') with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956 ("Scheme"). The Scheme inter alia provides for the following: a) Transfer and vesting of the Effluent Treatment Plants (ETP) Undertaking of DPCL into Company, a wholly owned subsidiary of DPCL, by way of slump sale; b) Followed by, amalgamation of DCL, a wholly owned subsidiary of DPCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961; c) Followed by, amalgamation of DPCL into and with Company in accordance with Section 2(1B) of the Income Tax Act, 1961. d) Upon Scheme becoming effective, the name of the Company shall be changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" (DCAL).

The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned the Scheme and certified copy of the said order alongwith the scheme has been received by the Company on 2nd March, 2017. The Scheme has become effective upon filing of certified copy of said order of Hon'ble High Court with the Office of Registrar of Companies, Gujarat MCA on 17th March, 2017 ("Effective Date") and accordingly has been given effect in the books of accounts in year 2016-17. DPCL as a going concern, stands amalgamated with effect from the Appointed Date i.e. 1st January, 2015 and subsequently, the name of Company has been changed to Dishman Carbogen Amcis Ltd. w.e.f. 27th March, 2017 vide fresh certificate of change of name issued by the Office of Registrar of Companies, Gujarat. The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and thereafter the new shares to be allotted to the DPCL's shareholders will be listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'ble High Court, Gujarat, which is different from Ind AS 103 "Business Combinations" which was otherwise applicable to the company from 1-4-2015. Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of ₹ 4810.00 crores payable by way of issue of shares of the Company has been disclosed as Share Suspense Account under Other Equity. The excess of consideration payable over net assets acquired has been recorded as goodwill amounting ₹ 1326.86 crores, represented by underlying intangible assets acquired on amalgamation and is being amortized over the period of 15 years from the Appointed Date. Had Goodwill not been amortized as required under Ind AS 103, the Depreciation and Amortization expense for the year ended March 31, 2017 would have been lower by ₹ 88.46 Crore and Profit before tax for the year ended March 31, 2017 would have been higher by an equivalent amount.

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	(₹ in crores)
Assets and liabilities taken over by the Company at fair value on appointed date from DPCL	
Property, plant and equipment	806.63
Capital work-in-progress	40.95
Other intangible assets	0.70
Investments	2,709.91
Loans and Advances	486.57
Inventories	172.64
Trade receivables	50.87
Cash and cash equivalents	34.59
Amalgamation adjustment account	24.38
	4,327.24
Debenture redemption reserve	(24.38)
Borrowings	(500.30)
Trade Payables	(73.19)
Deferred tax liabilities (Net)	(62.84)
Provisions	(6.25)
Other liabilities	(177.14)
	3,483.14
Net assets taken over by the Company	3,483.14
Consideration to be discharged by the Company	4,810.00
161,394,272 Shares of the Company of ₹ 2/- each at a premium of ₹ 296.02 per share.	
Goodwill- excess of consideration over net assets taken over by the Company.	1,326.86

The Goodwill is attributable mainly to the Developed technology, Customer relationship, skills and technical talents, and synergies expected to be achieved out of consolidation of business in the form of wider portfolio of products and services with diversified resources and deeper customer relationships. Accordingly Goodwill is amortised over its estimated useful life of 15 years.

The above assets and liabilities have been incorporated in the accounts of the Company as they stand as on April 1, 2016 after making adjustments for IndAS as required in line with the accounting policies, options and exemptions opted by the Company on transition to IndAS.

For the purpose of Ind AS adjustments and exemptions, the assets and liabilities of erstwhile DPCL as on 1.4.2015 after giving impact of merger have been considered as the previous GAAP carrying amounts.

Note 28 (ii) : Issue of bonus shares

On 5th May, 2016, erstwhile Dishman Pharmaceuticals and Chemicals Ltd., have allotted 8,06,97,136 equity shares of ₹ 2/- each, as fully paid-up bonus shares in the ratio of 1 (one) equity share for every 1 (one) equity share held to those shareholders whose names appeared in the Register of Members / List of Beneficial owners as on the Record Date i.e. on May 3, 2016.

Note 28 (iii) : Interim dividend

On 13th February, 2017, Board of Directors of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) have declared an Interim dividend of ₹ 1.20 (i.e. @ of 60%) per equity share on 16,13,94,272 equity shares of ₹ 2.00 each for the financial year 2016-2017 and DPCL had fixed 21st February, 2017 as the Record Date for the purpose of Payment of Interim Dividend for the financial year 2016-17.

Note 28 (iv) : Payment towards Corporate Social Responsibility (CSR)

As per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), had to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy. During the FY 2016-17, the DPCL has spent total ₹ 1.82 crores towards CSR activity as against the amount of ₹ 1.81 crores required to be spent towards CSR activity as per Section 135 of the Companies Act, 2013.

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Note 28 (v) : Managerial Remuneration

Erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) has three whole time Directors on its Board, who are eligible to draw remuneration as under as per the Board and Shareholder's approval: 1. Shri J. R. Vyas, Chairman & Managing Director – 5% of the Net Profit as approved by the Members. 2. Mr. Arpit J. Vyas, Managing Director & CFO – ₹ 1.80 crores per annum. 3. Mrs. D. J. Vyas, Whole-time Director – ₹ 1.80 crore per annum. The Remuneration to whole-time Directors paid by the DPCL falls under Section I of Part II of Schedule V to the Companies Act, 2013 (i.e. remuneration payable by the company having profits) and which is permissible as well as the same is in accordance with the provisions of Schedule V. Accordingly, DPCL has paid total Managerial Remuneration of ₹ 8.14 crores during the year 2016-17.

All the amounts stated at point 28 (ii) to (v) above which have declared/paid/incurred by erstwhile DPCL have been incorporated in the books of the account of the Company post merger and disclosed under relevant heads.

Note 29: Contingent liabilities and contingent assets

Particulars	(₹ in crores) 31 March 2017
a) Labour Law claims against the Company not acknowledged as debt	0.11
b) Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	53.67
c) Disputed central excise duty (including service tax) liability	4.07
d) Disputed income tax liability for various assessment years for which appeals are pending with Appellate authorities, out of the said amount, the Company has paid ₹ 42.88 crores under protest.	159.54
e) Disputed sales tax and central sales tax liability	4.34

Note 30: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	(₹ in crores) 31 March 2017
Property, plant and equipment	40.81
Intangible assets	5.11

(b) Non-cancellable operating leases

The total of minimum lease installments payable for assets taken on operating lease:

Particulars	(₹ in crores) 31 March 2017
(i) As Lessee	-
Future minimum lease payments	-
Within one year	0.88
Later than one year but not later than five years	2.80
Later than five years	1.01
	4.69

Rental expense relating to operating leases

Particulars	(₹ in crores) 31 March 2017
Total rental expense relating to operating leases	4.03

Finance lease in respect of lease hold land.

The Company has entered into finance lease for land. These leases are generally for a period of 99 years. These leases can be extended for further 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases.

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(c) Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire installments payable for vehicle acquired at the Balance sheet date are as under

(₹ in crores)

Particulars	31 March 2017
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:	
Within one year	0.27
Later than one year but not later than five years	0.64
Later than five years	-
	0.91

Note 31: Interests in other entities

The group's subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/ Country of Incorporation	Ownership Interest Held by the Group	Ownership Interest held by Non-Controlling Interests
		31 March 2017	31 March 2017
Subsidiaries		%	%
Dishman Europe Ltd.	UK	100%	0%
Dishman USA. Inc.	USA	100%	0%
Dishman Middle East FZE	UAE	100%	0%
Dishman International Trading (Shanghai) Co. Ltd. #	China	100%	0%
Shanghai Yiqian International Trade Co. Ltd. **	China	100%	0%
CARBOGEN AMCIS Holding AG (formerly known as Dishman Pharma Solutions AG)	Switzerland	100%	0%
CARBOGEN AMCIS (Shanghai) Co. Ltd. #	China	100%	0%
Dishman Switzerland Ltd.	Switzerland	100%	0%
Dishman Netherlands B.V. \$	Holland	100%	0%
CARBOGEN AMCIS Ltd. ^	UK	100%	0%
CARBOGEN AMCIS AG ^	Switzerland	100%	0%
CARBOGEN AMCIS SAS &	France	100%	0%
Cohecie Fine Chemicals B.V. @	Holland	100%	0%
Dishman Australasia Pty Ltd.	Australia	100%	0%
Innovative Ozone Services Inc. ***	Switzerland	100%	0%
Dishman Japan Ltd.	Japan	100%	0%
Dishman Carbogen Amcis (Singapore) Pte Ltd.	Singapore	100%	0%
Associates			
Bhadra Raj Holding Pvt. Ltd *	India	40%	60.00%
Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.)*	India	22.33%	77.67%

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- \$ Through Dishman Europe Ltd.
 ^ Through CARBOGEN AMCIS Holding AG
 @ Struck off / wound up during the year
 ** Through Dishman International Trading (Shanghai) Co. Ltd.
 *** Through Dishman Europe Ltd. and Dishman Switzerland Ltd.
 & Through CARBOGEN AMCIS AG
 # Year end for the subsidiary is December. However, for the purpose of consolidation, 15 months period ended March 31, 2017 has been considered.
 * Associates up to 26.03.2017

Note 32: Related Party disclosures as per Ind AS 24 Related party disclosures

a) Details of related parties:

Description of relationship	Name of the related party
Associates	Bhadra Raj Holding Pvt. Ltd. (upto 26-03-2017)
Associates	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (upto 26-03-2017)
Key Management Personnel (KMP)	Mr. Janmejy R.Vyas
Key Management Personnel (KMP)	Mrs. Deohooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Relative of Key Management Personnel	Ms. Aditi J Vyas
Relative of Key Management Personnel	Ms. Mansi J Vyas
Entity in which KMP are the members	Mr. J. R.Vyas HUF
Entity in which KMP can exercise significant influence	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Bhadra Raj Holding Pvt. Ltd. (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Azafran Innovacion Ltd.*
Entity in which KMP can exercise significant influence	Dishman Infrastructure Ltd.*
Entity in which Relatives of KMP can exercise significant influence	Discus IT Pvt. Ltd.*

* Only where transactions have taken place during the year.

b) Details of related party transactions for the year ended on 31st March, 2017 and balances outstanding as at 31st March, 2017:

Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	-	-	-	0.02	0.02
Sale of goods / services	1.04	-	-	0.01	1.05
Sale of fixed assets	-	-	-	0.12	0.12
Receiving of services	-	-	-	1.18	1.18
Sale of long term investments	-	2.62	0.03	-	2.65
Interest income	-	-	-	4.55	4.55
Repayment of loans & advances received	-	2.10	-	-	2.10
Remuneration	-	9.87	1.16	-	11.03
Trade advances given	16.88	-	-	-	16.88
Dividend paid	0.14	11.71	0.03	-	11.89
Balances outstanding at the end of the year					
Trade receivables	-	-	-	1.23	1.23
Trade advances given	-	-	-	16.88	16.88
Guarantees given by Dishman Infrastructure Ltd. on behalf of the Company	-	-	-	54.49	54.49
Loans and advances given	-	-	-	71.47	71.47
Trade payables	-	0.08	-	-	0.08

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c) Disclosure in respect of material transactions with related parties			(₹ in crores)
Particulars	Name of the related party		F.Y. 2016-17
Purchase of goods	Azafran Innovacion Ltd.		0.02
Sale of goods	Dishman Biotech Ltd.		1.04
Receiving of services	Discus IT Pvt. Ltd.		1.04
Sale of long term investment	Mr. Janmejey R.Vyas		2.58
	Mrs. Deohooti J.Vyas		0.03
	Mr. Arpit J.Vyas		0.01
Interest income	Dishman Infrastructure Ltd.		4.55
Repayment of loan and advances received	Mrs. Deohooti J.Vyas		2.10
Dividends paid	Mr. Janmejey R.Vyas		6.07
	Mrs. Deohooti J.Vyas		2.63
	Mr. Arpit J.Vyas		3.02
Remuneration to directors from Holding Company and Subsidiary	Mr. Janmejey R.Vyas		5.30
	Mrs. Deohooti J.Vyas		1.80
	Mr. Arpit J.Vyas		2.77
Outstanding balances trade advances given	Dishman Biotech Ltd.		16.88
Outstanding balances of loans and advances	Dishman Infrastructure Ltd.		71.47

Note 33: Capital Management

For the purpose of the group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to safeguard the group's ability to remain as a going concern and maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders or return capital to shareholders.

The group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The group's adjusted net debt to equity ratio at 31 March 2017 was as follows.

Particulars	(₹ in crores) 31 March 2017
Borrowings	
Long term and Short term borrowings	845.08
Current maturities of Long term borrowings	104.64
Less: Cash and cash equivalents and other bank balances	87.39
Adjusted net debt	862.32
Total Equity	4,813.98
Adjusted net equity	4,813.98
Adjusted net debt to adjusted equity ratio	0.18

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In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the group during the current year.

Note 34: Employee benefits

In respect of Holding Company

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

		(₹ in crores)
Defined benefit plans -		For the year ended March 31, 2017
		Gratuity (Non-funded)
I	Expenses recognised in statement of profit and loss during the year:	
1	Current Service Cost	0.65
2	Interest cost	0.42
	Total Expenses	1.06
II	Expenses recognised in OCI	
1	Actuarial changes arising from changes in demographic assumptions	-
2	Actuarial changes arising from changes in financial assumptions	0.26
3	Actuarial changes arising from changes in experience adjustments	0.31
	Total Expenses	0.57
III	Net Asset /(Liability) recognised as at balance sheet date:	
1	Present value of defined benefit obligation	6.63
2	Net Asset /(Liability) - Current	1.06
	Net Asset /(Liability) - Non- Current	5.57
IV	Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:	
1	Acquired on merger of Dishman Pharmaceuticals & Chemicals Ltd	5.89
2	Current Service Cost	0.65
3	Interest cost	0.42
4	Actuarial loss/(gain) due to change in financial assumptions	0.26
5	Actuarial loss/(gain) due to change in demographic assumption	
6	Actuarial loss/ (gain) due to experience adjustments	0.31
7	Benefit paid	(0.89)
	Net asset / (liability) at the end of the year	6.63

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		(₹ in crores)
Defined benefit plans -		For the year ended March 31, 2017
		Gratuity (Non-funded)
V	Maturity profile of defined benefit obligation	
1	Within the next 12 months (next annual reporting period)	1.06
2	Between 2 and 5 years	2.33
3	Between 6 and 10 years	3.02
VI	Quantitative sensitivity analysis for significant assumptions is as below:	
1	Increase/(decrease) on present value of defined benefit obligation at the end of the year	
	(i) 0.5% increase in discount rate	(0.22)
	(ii) 0.5% decrease in discount rate	0.23
	(iii) 0.5% increase in rate of salary increase	0.20
	(iv) 0.5% decrease in rate of salary increase	(0.18)
	(v) 20% increase in employee turnover rate	0.06
	(vi) 20% decrease in employee turnover rate	(0.11)
2	Sensitivity analysis method	
	Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.	
VII	Actuarial Assumptions:	As at March 31, 2017
1	Discount rate	7.15% p.a
2	Expected rate of salary increase	6.00% p.a
3	Attrition rate	
	Age Band	
	25 & Below	15.00% p.a
	26 to 35	12.00% p.a
	36 to 45	9.00% p.a
	46 to 55	6.00% p.a
	56 & above	3.00% p.a
4	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

- Amount recognised as an expense in the Statement of Profit and Loss and included in Note 19 under "Salaries and wages":
Gratuity ₹ 1.06 crores (Previous year - Nil) and Leave encashment ₹ 0.35 crores (Previous year - Nil).
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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Employee Benefits plan

a) Defined Benefit Plan of Carbogen Amcis AG

(i) Pension Plan

Defined benefit plans -

(CHF in Mn.)

For the year ended
March 31, 2017

Pension Plan

I Expenses recognised in statement of profit and loss during the year:

1	Current Service Cost	4.26
2	Interest cost	0.13
	Total Expenses	4.39

II Expenses/(Income) recognised in OCI

1	Actuarial changes arising from changes in demographic assumptions	-
2	Actuarial changes arising from changes in financial assumptions	(4.61)
3	Actuarial changes arising from changes in experience adjustments	0.84
4	Return on plan assets excluding interest income	0.92
	Total Expenses/(Income)	(2.85)

III Net Asset /(Liability) recognised as at balance sheet date:

1	Present value of defined benefit obligation	83.67
2	Fair value of Plan asset	59.11
3	Net Asset /(Liability) - Current	-
4	Net Asset /(Liability) - Non- Current	(24.56)

IV Reconciliation of Defined Benefit Obligation recognised as at balance sheet date:

1	Defined benefit Obligation at beginning of the year	80.10
2	Current Service Cost	4.22
3	Interest cost	0.42
4	Contributions by plan participants	2.00
5	Administration cost (excl. cost for managing plan assets)	0.04
6	Actuarial loss/(gain)	(3.77)
7	Benefit paid	0.66
8	Net asset / (liability) at the end of the year	83.67

V Reconciliation of fair value of plan assets:

1	Fair value of plan assets at the beginning of the year	54.08
2	Interest income on plan assets	0.28
3	Contributions by the employer	3.00
4	Contributions by plan participants	2.00
5	Benefits (paid) / deposited	0.66
6	Return on plan assets excl. interest income	(0.92)
7	Fair value of plan assets at the end of the year	59.11

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

Others - 100%	59.11
Total	59.11

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VII Maturity profile of defined benefit obligation

1	Weighted average duration of defined benefit obligation in years	19.00
2	Weighted average duration of dbo in years for active members	19.50
3	Weighted average duration of dbo in years for pensioners	16.00

VIII Quantitative sensitivity analysis for significant assumptions is as below:

1	Present value of defined benefit obligation at the end of the year if:-	
(i)	0.25% increase in discount rate	79.87
(ii)	0.25% decrease in discount rate	87.79
(iii)	0.25% increase in rate of salary increase	84.29
(iv)	0.25% decrease in rate of salary increase	83.06
(v)	1 year increase in life expectancy	84.29
(vi)	1 year decrease in life expectancy	85.07

2 Sensitivity analysis method

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

IX Actuarial Assumptions:

1	Discount rate		0.70%
2	Mortality decrement		BVG 2015 GT
3	Disability decrement		BVG 2015
4	Expected benefit increase		0%
5	Long-term interest on retirement accounts		1%
6	Expected rate of salary increase		
	Age 25 – 29		2.00%
	Age 30 – 34		2.00%
	Age 35 – 39		1.50%
	Age 40 – 44		1.50%
	Age 45 – 49		1.50%
	Age 50 – 54		1.50%
	Age 55 – 65		1.00%
7	Attrition rate	Men	Women
	Age 25 – 29	20.00%	18.00%
	Age 30 – 34	15.00%	14.00%
	Age 35 – 39	11.00%	11.00%
	Age 40 – 44	8.00%	8.00%
	Age 45 – 49	6.00%	7.00%
	Age 50 – 54	4.00%	5.00%
	Age 55 – 59	2.00%	2.00%
	Age 60 – 65	1.00%	1.00%
8	Retirement probabilities		
	Age 64	-	100%
	Age 65	100%	-

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(ii) Jubilee Plan		(CHF in Mn.)
Defined benefit plans -		For the year ended March 31, 2017
		Jubilee Plan
I	Expenses recognised in statement of profit and loss during the year:	
1	Current Service Cost	0.35
2	Interest cost	0.01
	Total Expenses	0.36
II	Expenses recognised in OCI	
1	Actuarial changes arising from changes in demographic assumptions	-
2	Actuarial changes arising from changes in financial assumptions	(0.04)
3	Actuarial changes arising from changes in experience adjustments	0.10
	Total Expenses	0.07
III	Net Asset /(Liability) recognised as at balance sheet date:	
1	Present value of defined benefit obligation	2.54
2	Net Asset /(Liability) - Current	-
	Net Asset /(Liability) - Non- Current	(2.54)
IV	Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:	
1	Defined benefit Obligation at beginning of the year	2.37
2	Current Service Cost	0.34
3	Interest cost	0.01
4	Contributions by plan participants	-
5	Administration cost (excl. cost for managing plan assets)	0.00
6	Actuarial loss/(gain)	0.07
7	Benefits (paid) / deposited	(0.25)
8	Net asset / (liability) at the end of the year	2.54
V	Maturity profile of defined benefit obligation	
1	Weighted average duration of defined benefit obligation in years	7.30
VI	Quantitative sensitivity analysis for significant assumptions is as below:	
1	Present value of defined benefit obligation at the end of the year if:-	
(i)	0.25% increase in discount rate	2.50
(ii)	0.25% decrease in discount rate	2.59
(iii)	0.25% increase in rate of salary increase	2.59
(iv)	0.25% decrease in rate of salary increase	2.50
(v)	1 year increase in life expectancy	2.55
(vi)	1 year decrease in life expectancy	2.54

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2 Sensitivity analysis method

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

VII Actuarial Assumptions:

1	Discount rate		0.70%
2	Mortality decrement		BVG 2015 GT
3	Disability decrement		BVG 2015
4	Expected benefit increase		0%
5	Long-term interest on retirement accounts		1%
6	Expected rate of salary increase		
	Age 25 – 29		2.00%
	Age 30 – 34		2.00%
	Age 35 – 39		1.50%
	Age 40 – 44		1.50%
	Age 45 – 49		1.50%
	Age 50 – 54		1.50%
	Age 55 – 65		1.00%
7	Attrition rate	Men	Women
	Age 25 – 29	20.00%	18.00%
	Age 30 – 34	15.00%	14.00%
	Age 35 – 39	11.00%	11.00%
	Age 40 – 44	8.00%	8.00%
	Age 45 – 49	6.00%	7.00%
	Age 50 – 54	4.00%	5.00%
	Age 55 – 59	2.00%	2.00%
	Age 60 – 65	1.00%	1.00%
8	Retirement probabilities		
	Age 64	-	100%
	Age 65	100%	-

- The Discount rate is based on the prevailing market yields of Swiss Bonds as at the Balance Sheet date for the estimated terms of the obligations.
- Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Carbogen Amcis AG has taken an insurance for covering all risks arising from the pension plan for its employees from AXA Life Insurance Co. Ltd.

Defined Contribution Pension Scheme (In respect of Carbogen Amcis SAS, Carbogen Amcis Ltd UK and Dishman Netherland B.V.)

During the year, the group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to ₹ 1.13 crores and the outstanding pension liability as at 31st March 2017 is ₹ 2.43 crores.

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Note 35: Segment Reporting

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Operating Segments:

The Company is in the business of manufacturing and marketing of -

A. Contract Research & Contract Manufacturing (CRAMS).

B. Bulk Drugs, Intermediates, Quats, Specialty Chemicals and Traded Goods

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and Liabilities: As certain assets of the Group including manufacturing facilities, development facilities and financial assets and liabilities are often deployed interchangeably across segment, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and segment liabilities has not been disclosed.

(a) Summary of Segmental Information for the year ended 31st March, 2017 (₹ in crores)

Particulars	CRAMS	Bulk Drugs, Quats, Speciality Chemicals and traded goods	Unallocated/ Others	Total
Revenue				
External Sales	1,259.60	454.09	-	1,713.69
Inter Segment Sales	-	-	-	-
Revenue from Operations - External	1,259.60	454.09	-	1,713.69
Segment Result	148.97	61.30	43.20	253.47
Interest Income	-	-	12.51	12.51
Interest Expenses	-	-	(49.01)	(49.01)
Share of profit from associates	-	-	(0.89)	(0.89)
Tax Expense (Income+Deferred Tax)	-	-	(70.65)	(70.65)
Net Profit for the year				145.43

(b) Summary of Segment Revenue and Assets for the year ended 31st March, 2017 (₹ in crores)

	India	Rest of the world	Total
Segment Revenue*	65.14	1,648.55	1,713.69
Carrying cost of total assets	2,712.59	3,880.84	6,593.43
Carrying cost of Non-current assets@	2,132.83	3,031.02	5,163.85

* Based on location of customers

@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Information about major customers: Revenues from one of the customers of the Group's CRAMS segment was approximately ₹ 186 Crores representing approximately 10.85 % of the Group's total revenues, for the year ended 31 March 2017.

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Note 36: Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crores)

Financial Assets and Liabilities as at 31st March, 2017	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	Total Fair Value
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets																	
Investments																	
- Equity instruments	39.62	-	39.62	-	-	-	-	0.03	-	39.59	39.62	-	-	-	-	39.62	39.62
Loans	35.01	95.82	130.83	-	-	-	-	-	-	-	-	-	-	130.83	130.83	130.83	130.83
Trade receivable	-	285.55	285.55	-	-	-	-	-	-	-	-	-	-	285.55	285.55	285.55	285.55
Cash and Cash equivalents	-	58.61	58.61	-	-	-	-	-	-	-	-	-	-	58.61	58.61	58.61	58.61
Other Bank Balance	-	28.78	28.78	-	-	-	-	-	-	-	-	-	-	28.78	28.78	28.78	28.78
Derivative Assets	-	20.87	20.87	-	20.87	-	20.87	-	-	-	-	-	-	-	-	20.87	20.87
Other Financial Assets	2.77	124.49	127.25	-	-	-	-	-	-	-	-	-	-	127.25	127.25	127.25	127.25
Total	77.39	614.11	691.50	-	20.87	-	20.87	0.03	-	39.59	39.62	-	-	631.02	631.02	691.50	691.50
Financial Liabilities																	
Borrowings	460.12	384.95	845.08	-	-	-	-	-	-	-	-	-	-	845.08	845.08	845.08	845.08
Trade Payables	-	85.64	85.64	-	-	-	-	-	-	-	-	-	-	85.64	85.64	85.64	85.64
Other Financial Liabilities	-	166.09	166.09	-	-	-	-	-	-	-	-	-	-	166.09	166.09	166.09	166.09
Total	460.12	636.69	1,096.82	-	-	-	-	-	-	-	-	-	-	1,096.82	1,096.82	1,096.82	1,096.82

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values for investment in equity shares other than subsidiaries, joint venture and associate were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
4. Forward pricing - The fair value is determined using quoted forward exchange rate at the reporting date and respective present value calculations based on high quality credit yield curves in the respective currency.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

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(D) Valuation technique used to determine fair value

The following is the valuation technique used in measuring Level 2 and Level 3 fair values, for the financial instruments measured at fair value in the statement of financial position, as well as significant unobservable inputs used.

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair valuation
Investments in unquoted instruments accounted for as Fair value through Other Comprehensive Income. - Level 3	DCF method	(i) Discounting rate: March 2017: 9.53 % (ii) Growth rate: March 2017: 10.95%	Increase/ (Decrease) in significant unobservable input will Increase/ (Decrease) fair value of the instrument
Derivative instruments-forward exchange contracts. – Level 2	Forward pricing: The fair value is determined using quoted forward exchange rate at the reporting date.	Not applicable	Not applicable

(E) For the fair value of unquoted equity shares, reasonable possible change at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effect

(₹ in crores)

Significant unobservable inputs	Profit or Loss
	As at 31st March 2017
+/- 0.5% Discount rate and Growth rate	Increase 5.73
	Decrease 5.09

(F) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2017.:

	Unlisted equity securities
Fair value of the shares acquired on merger of DPCL	40.43
Gains/(losses) recognised in Other Comprehensive Income	(0.84)
As at 31 March 2017	39.59

Note 37: Financial Risk Management

The group's financial risk management is an integral part of how to plan and execute its business strategies. The group's activities expose it to a variety of its financial risk including

- Credit risk
- Liquidity risk
- Market risk

Market risk is the loss of future earnings, fair values or future cash flows that may result from the change of a price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

Risk management framework

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework.

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The group's activities expose it to market risk, liquidity risk and credit risk. The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the group's policies approved by the Board of directors, which provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by internal auditors. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose. The Company's audit committee also oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(A) 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 trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade and Other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

As at 31st March, 2017, the Group did not have any significant concentration of credit risk with any external customer.

Expected credit loss assessment for Trade and Other receivables as at 31 March 2017:

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables.

	(₹ in crores)		
	Gross Carrying amount	Loss allowances	Net Carrying amount
As at 31 March 2017	304.41	18.86	285.55
The movement in the loss allowance in respect of trade and other receivables during the year was as follows			
	(₹ in crores)		
Balance as at 1 April 2016			-
Add : On account of merger (Refer note no. 28 (i))			18.41
Movement during the year			0.45
Balance as at 31 March 2017			18.86

Cash and cash equivalents

The group held Bank balance of ₹ 87.39 crore at March 31, 2017. The same are held with bank and financial institution counterparties with good credit rating.

Derivatives

The forward cover has been entered into with banks /financial institution counterparties with good credit rating.

Others

Other than trade receivables reported above , the group has no other financial assets which carries any significant credit risk.

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(B) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. The group has access to a sufficient variety of sources of short term funding with existing lenders. The group has arrangements with the reputed banks and has unused line of credit that could be drawn upon should there be need.

The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profile of financial assets and liabilities. Note below set out details of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements. (₹ in crores)

Contractual maturities of financial liabilities31 March 2017	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives				
Long term borrowings	130.14	181.99	323.69	635.82
Working Capital Facility and Short term loans and borrowings	384.95	-	-	384.95
Trade payables	85.64	-	-	85.64
Other financial liabilities	61.46	-	-	61.46
Total non-derivative liabilities	662.20	181.99	323.69	1,167.88

(C) Market risk

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 and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

(i) Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP and Chinese renminbi (RMB). The group has in place the Risk management policy to managed the foreign exchange exposure.

The Foreign currency exchange rate exposure is partly balanced through natural hedge, where in the group's borrowing is in foreign currency and cash flow generated from financial assets is also in same foreign currency. This provide an economic hedge without derivatives being entered into and therefore hedge accounting not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

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The group can enter into foreign currency forward contracts and other authorized derivative contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables and borrowings.

The group uses derivative instruments, mainly foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in line with the policy.

The group hedges 75 to 80% of its estimated foreign currency exposure in respect of forecast sales and purchases and repayment of borrowings over the following 12 months. The group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency risk exposure:

The Group exposure to foreign currency risk at the end of the reporting period expressed in Rupees, are as follows

Sr no	Particulars	Currency	Standalone		Subsidiary		31 March 2017 (Total)	
			(₹ in crores)	FC in Mn.	(₹ in crores)	FC in Mn.	(₹ in crores)	FC in Mn.
A	Financial assets							
(i)	Trade receivables	EURO	7.67	1.11	16.74	2.29	24.41	3.40
		USD	108.50	16.73	95.98	13.68	204.48	30.41
		GBP	0.20	0.02	-	-	0.20	0.02
(ii)	Loans and Advances	USD	55.76	8.60	-	-	55.76	8.60
(iii)	Bank balance in EEFC accounts	USD	0.58	0.09	5.62	0.87	6.19	0.95
B	Financial liabilities							
(iv)	Foreign currency loan							
	Bank loan	USD	289.07	44.57	162.24	25.07	451.31	69.64
		EURO	120.42	17.44	1.94	0.30	122.36	17.74
		GBP			26.44	4.09	26.44	4.09
	Interest Payable	EURO	0.20	0.03	-		0.20	0.03
(v)	Trade payables	USD	83.79	12.92	69.02	9.32	152.81	22.24
		EURO	1.68	0.24	13.35	1.72	15.03	1.96
		GBP	0.19	0.02	0.11	0.02	0.30	0.04

The group has entered into forward contract transactions, which are not intended for trading or speculative purpose but to hedge the export receivables / loan outstanding including future receivables. The group has following forward cover outstanding.

Type of transaction	Purpose	Currency	Buy or Sell	Cross Currency	31 March 2017	
					Amount in Foreign currency in Mn.	(₹ in crores)
Forward Cover	To hedge export receivables	USD	Sell	INR	41.20	267.18
		EURO	Sell	INR	4.50	31.08
		GBP	Sell	INR	7.50	61.02
		GBP	Buy	INR	3.50	24.17

(c) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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Particulars	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
Mar-17				
Effect in INR				
1 % movement				
USD	30.10	(30.10)	30.10	(30.10)
EUR	4.24	(4.24)	4.24	(4.24)
GBP	6.37	(6.37)	6.37	(6.37)

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The group main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 31 March 2017, the group's borrowings at variable rate were mainly denominated in USD and EURO.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The group's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

(a) Interest rate risk exposure

The exposure of the entity's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in crores)
	31 March 2017
Variable rate borrowings	808.56
Fixed rate borrowings	141.15
Total borrowings	949.71

(b) As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 March 2017	
	Balance	% of total loans
Bank loans	808.56	85.10
Interest rate swaps (notional principal amount)	32.33	-
	776.23	

(c) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	(₹ in crores)
	Impact on profit after tax 31 March 2017
Interest rates – increase by 50 basis points *	(3.88)
Interest rates – decrease by 50 basis points *	3.88
* Holding all other variables constant	

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Note 38: Offsetting financial assets and financial liabilities

The are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2017.

Note 39: (i) Details of research and development expenditure recognised as revenue expense (Other than contract research expenses) (₹ in crores)

Particulars	For the year ended 31 March, 2017
Annual Maintenance	0.01
Consumables	0.09
Conveyance	0.10
Laboratory Expenses	0.98
Others	0.16
Power & Fuel	0.50
Repair & maintenance	0.24
Raw Material Consumption	0.19
Salary & Wages	2.95
Subscription Expenses	0.07
Total	5.29

Note 39: (ii) Details of research and development expenditure recognised as capital expenses (₹ in crores)

Particulars	For the year ended 31 March, 2017
Plant & Machinery	1.28
Office Equipments and Computers	0.02
Intangible assets under development	11.35
Total	12.65

Note 40: Transition to Ind AS

These are the entity's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017.

Prior to merger of DPCL with the Company which has been accounted for during the year, there were no subsidiaries of the Company as on 31st March, 2016. Accordingly, no consolidated financial statements have been prepared for previous years. Pursuant to merger, the subsidiaries of DPCL have become subsidiaries of the Company and accordingly, consolidated financial statements have been prepared for the year ended 31st March, 2017. These financial statements are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is April 1, 2015.

Optional Exemptions under IndAS 101:

In preparing these consolidated financial statements, the Group has availed itself of certain exemptions in accordance with Ind AS 101 as explained below:

- The Group has elected to measure its property, plant and equipment on the transition date at its previous GAAP carrying amount.
- The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

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Note 41: Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
Parent								
Dishman Carbogen Amcis Ltd.	99.10%	4,770.74	16.67%	24.24	(0.07%)	0.13	(45.70%)	24.37
Subsidiaries								
Dishman Europe Ltd.	1.20%	57.83	8.30%	12.08	-	-	(22.65%)	12.08
Dishman USA Inc.	0.37%	18.01	1.48%	2.15	-	-	(4.04%)	2.15
CARGOBEN AMCIS Holding AG	11.23%	540.66	81.30%	118.23	-	-	(221.73%)	118.23
CARBOGEN AMCIS AG	5.64%	271.53	62.36%	90.70	(7.62%)	15.13	(198.48%)	105.83
Dishman Switzerland Ltd.	0.09%	4.23	0.04%	0.05	-	-	(0.10%)	0.05
Dishman International Trading (Shanghai) Co. Ltd. (including Shanghai Yiqian International Trade Co. Ltd.)	0.12%	5.96	0.08%	0.11	-	-	(0.21%)	0.11
CARBOGEN AMCIS (Shanghai) Co. Ltd.	0.80%	38.27	(3.46%)	(5.03)	-	-	9.43%	(5.03)
CARBOGEN AMCIS Ltd., UK	0.63%	30.42	3.82%	5.56	-	-	(10.43%)	5.56
Cohecie Fine Chemicals B.V.	0.00%	-	0.00%	-	-	-	0.00%	0.00
Dishman Netherlands B.V.	3.47%	167.27	37.77%	54.93	-	-	(103.01%)	54.93
Innovative Ozone Services Inc. (IO3S)	(0.24%)	(11.55)	(0.02%)	(0.03)	-	-	0.05%	(0.03)
Dishman Australasia Pty. Ltd.	0.01%	0.31	0.05%	0.08	-	-	(0.15%)	0.08
Dishman Middleeast FZE	0.03%	1.54	(0.05%)	(0.07)	-	-	0.13%	(0.07)
Dishman Japan Ltd.	(0.10%)	(4.87)	(0.28%)	(0.41)	-	-	0.77%	(0.41)
CARBOGEN AMCIS SAS	0.30%	14.50	2.98%	4.33	-	-	(8.12%)	4.33
Sub Total	122.66%	5,904.85	211.05%	306.93	(7.68%)	15.26	(604.23%)	322.20
Associates								
Bhadra-Raj Holding Pvt. Ltd.	-	-	-	0.17	-	-	-	-
Dishman Biotech Ltd.	-	-	-	(1.06)	-	-	-	-
Sub Total	-	-	-	(0.89)	-	-	-	-
Less : Effect of Inter Company elimination/adjustment	(22.66%)	(1,090.87)	(111.05%)	(160.61)	107.68%	(214.01)	704.23%	(375.52)
Total	100.00%	4,813.98	100.00%	145.43	100.00%	(198.75)	100.00%	(53.32)

Note 42: The financial statements were authorised for issue by the Holding Company's Board of directors on 16-May-2017.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place : Ahmedabad
Date : 16th May, 2017

For V. D. Shukla & Co.
Chartered Accountants
ICAI Firm Registration
No. 110240W

Vimal D. Shukla
Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejy R. Vyas
Chairman & Managing Director

Arpit J. Vyas
Managing Director & CFO

Place : Ahmedabad
Date : 16th May, 2017

Deohooti J. Vyas
Whole Time Director

Shrima Dave
Company Secretary

Form - AOC- 1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Dishman Europe Limited (DEL)	Dishman USA Inc. (DUS)	Carbogen Amcis Holding AG	Carbogen Amcis (CA AG)	Dishman Switzerland Ltd.	Dishman International Trading (Shanghai) Co. Ltd.*	Carbogen Amcis (Shanghai) Co. Limited	Carbogen Amcis Limited (UK)	Dishman Netherlands B.V. (DNBV)	Innovative Ozone Services Inc. (IOS)	Dishman Australasia (Pty) Limited	Dishman Middle East FZE	Dishman Japan Limited	CGAMRIOM
	The Date since when subsidiary was acquired / created	15/07/1997	21/07/1998	08/08/2006	22/08/2006	24/11/2005	17/02/2004	13/09/2006	21/04/2005	09/04/2003	31/01/2006	27/07/2007	22/03/2011	03/04/2007	01/12/2012
	Currency of presentation	British Pound	US Dollar	CHF	CHF	CHF	CNY	CNY	British Pound	Euro	CHF	AUS \$	UAE Dirhams	JPY	Euro
1	Share Capital														
	In Foreign Currency	0.16	0.30	28.00	1.45	1.03	1.65	128.45	0.00	0.23	0.19	0.10	0.95	100.00	1.20
	In Indian Rupees	1.29	1.95	181.06	9.38	6.66	1.56	120.89	0.00	1.57	1.23	0.49	1.64	5.82	8.29
2	Reserve														
	In Foreign Currency	6.95	2.48	55.61	40.54	(0.38)	4.67	(87.78)	3.74	23.99	(1.98)	(0.04)	(0.06)	(183.69)	0.90
	In Indian Rupees	56.53	16.07	359.60	262.16	(2.43)	4.40	(82.62)	30.42	165.70	(12.78)	(0.18)	(0.10)	(10.69)	6.21
3	Total Assets														
	In Foreign Currency	16.53	30.24	113.32	145.81	0.66	11.76	177.77	5.87	34.14	0.04	1.39	0.95	7.41	3.43
	In Indian Rupees	134.47	196.13	732.73	942.82	4.26	11.07	167.31	47.72	235.79	0.24	6.89	1.64	0.43	23.67
4	Total Liabilities														
	In Foreign Currency	9.42	27.47	29.70	103.81	0.00	5.43	137.10	2.13	9.92	1.82	1.33	0.06	91.10	1.33
	In Indian Rupees	76.64	178.12	192.07	671.29	0.03	5.11	129.03	17.30	68.52	11.79	6.57	0.10	5.30	9.17
5	Investments														
	Foreign Currency in Mn.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	₹ in Crores	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Turnover														
	Foreign Currency in Mn.	26.92	15.94	-	132.32	-	17.57	52.97	5.59	32.85	-	0.59	-	-	4.03
	₹ in Crores	219.03	103.40	-	855.63	-	16.54	49.86	45.51	226.84	-	2.94	-	-	27.84
7	Profit Before Tax														
	Foreign Currency in Mn.	1.38	0.53	17.55	16.39	0.01	0.40	1.84	0.72	10.04	(0.00)	0.02	(0.04)	(5.95)	0.79
	₹ in Crores	11.24	3.46	113.51	105.98	0.06	0.38	1.73	5.84	69.30	(0.03)	0.08	(0.07)	(0.35)	5.47
8	Provision for Tax														
	Foreign Currency in Mn.	0.00	0.21	0.12	3.02	0.00	0.29	6.89	0.08	2.56	-	-	-	0.68	0.20
	₹ in Crores	0.02	1.38	0.77	19.50	0.01	0.27	6.49	0.67	17.69	-	-	-	0.04	1.40
9	Profit After Tax														
	Foreign Currency in Mn.	1.38	0.32	17.44	13.37	0.01	0.11	(5.05)	0.63	7.47	(0.00)	0.02	(0.04)	(6.63)	0.59
	₹ in Crores	11.22	2.09	112.74	86.48	0.05	0.11	(4.75)	5.16	51.61	(0.03)	0.08	(0.07)	(0.39)	4.07
10	Proposed Dividend														
	Foreign Currency in Mn.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	₹ in Crores	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Note:-															
1) The Foreign Currency Figures (including Capital) have been converted into Indian Rupees using the exchange rates prevailing as on 31.03.2017.															
	Conversion Rate	British Pound	US Dollar	CHF	CHF	CHF	CNY	CNY	British Pound	Euro	CHF	AUS \$	Dhram	Japanese Yen	Euro
	Foreign Currency into INR as on 31.03.2017	81.35	64.85	64.66	64.66	64.66	9.41	9.41	81.35	69.06	64.66	49.47	17.29	0.58	69.06

Note :

- (i) Names of the subsidiary which is yet to commence operation : Dishman Carbogen Amcis (Singapore) Pte. Ltd.
(ii) Name of the subsidiary which has been liquidated or sold during the year : Cohesive Fine Chemicals B.V.
(iii) * The financials of Shanghai Yiqian International Trade Co. Ltd. has been merged with Dishman International Trading (Shanghai) Co. Ltd.

Place : Ahmedabad **Janmejy R. Vyas** **Deohooti J. Vyas** **Arpit J. Vyas** **Shrima Dave**
Date : 16th May, 2017 **Chairman & Managing Director** **Whole Time Director** **Managing Director & CFO** **Company Secretary**

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

[illegible]

Note:

Name of the associates or joint ventures which have been liquidated or sold during the year : Bhadra Raj Holdings Pvt. Ltd. and Dishman Biotech Ltd.

Place: Ahmedabad
Date : 16th May, 2017

Janmejay R. Vyas
Chairman & Managing Director

Deohooti J. Vyas
Whole Time Director

Arpit J. Vyas
Managing Director & CFO

Shrima Dave
Company Secretary

POLLING PAPER

Form No. MGT- 12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:	Dishman Carbogen Amcis Limited			
Registered Office:	Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009			
CIN:	U74900GJ2007PLC051338			
BALLOT PAPER				
S No	Particulars	Details		
1.	Name of the first named Shareholder (In Block Letters)			
2.	Postal address			
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)			
4.	Class of Share	Equity Shares		
I hereby exercise my vote in respect of Ordinary Resolutions as proposed in the Notice dated 16/05/2017 of 10 th AGM of the Company and enumerated below by recording my assent or dissent to the said resolutions in the following manner:				
Sr. No.	Item No.	No. of Shares held by me	I assent to the Resolution	I dissent from the Resolution
1.	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended March 31, 2017.			
2.	To confirm the payment of interim dividend on equity shares.			
3.	Reappointment of Mr. Arpit J. Vyas who retire by rotation.			
4.	Appointment of M/s. V. D. Shukla & Co. and M/s. Haribhakti & Co. LLP, Chartered Accountants, as Joint Statutory Auditors and fix their remuneration.			
Place: Date : (Signature of the Shareholder*)				

(*as per Company records)

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Dishman Carbogen Amcis Limited

CIN : U74900GJ2007PLC051338

Registered Office: Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009

ATTENDANCE SLIP

Joint shareholders may obtain additional Slip on request.

* DP. ID. No. _____ *Client Id. No. _____ Ledger Folio No. _____

NAME AND ADDRESS OF THE SHAREHOLDER OR PROXY: _____

No. of Share(s) held: _____

I hereby record my presence at the 10th ANNUAL GENERAL MEETING of the company held on **Thursday the 28th day of September, 2017** at **10.00 a.m** at **H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015.**

*Applicable for investors holding shares in electronic form

Signature of the shareholder or proxy

NOTE: 1) You are requested to sign and handover this slip at the entrance of the meeting venue. 2) Strike out which is not necessary



Dishman Carbogen Amcis Limited

CIN : U74900GJ2007PLC051338

Registered Office: Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009

Form No. MGT-11 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/DP ID-Client ID: _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him;
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him;
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the Company, to be held on **Thursday, the 28th day of September, 2017 at 10.00 a.m** at **H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015** and at any adjournment thereof, to vote, for me/us and in my/our name _____ (here, 'if for', insert 'for'; and 'if against', insert 'against' and in the latter case strike out the words below after the resolutions) in respect of such resolutions as are indicated below as my/our proxy may approve.

Sr. No.	Resolutions
1.	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended March 31, 2017.
2.	To confirm the payment of interim dividend on equity shares.
3.	Reappointment of Mr. Arpit J. Vyas who retire by rotation.
4.	Appointment of M/s. V. D. Shukla & Co. and M/s. Haribhakti & Co. LLP, Chartered Accountants, as Joint Statutory Auditors and fix their remuneration.

Signed this _____ day of _____ 2017

Notes:

- This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat, at least 48 hours before the time for holding the meeting.
- The proxy need not be a member of the Applicant Company.
- All alterations made in the Form of Proxy should be initialled.

Affix
Revenue
Stamp not
less than
Re.1/-

Signature of shareholder

Signature of Proxy holder(s)

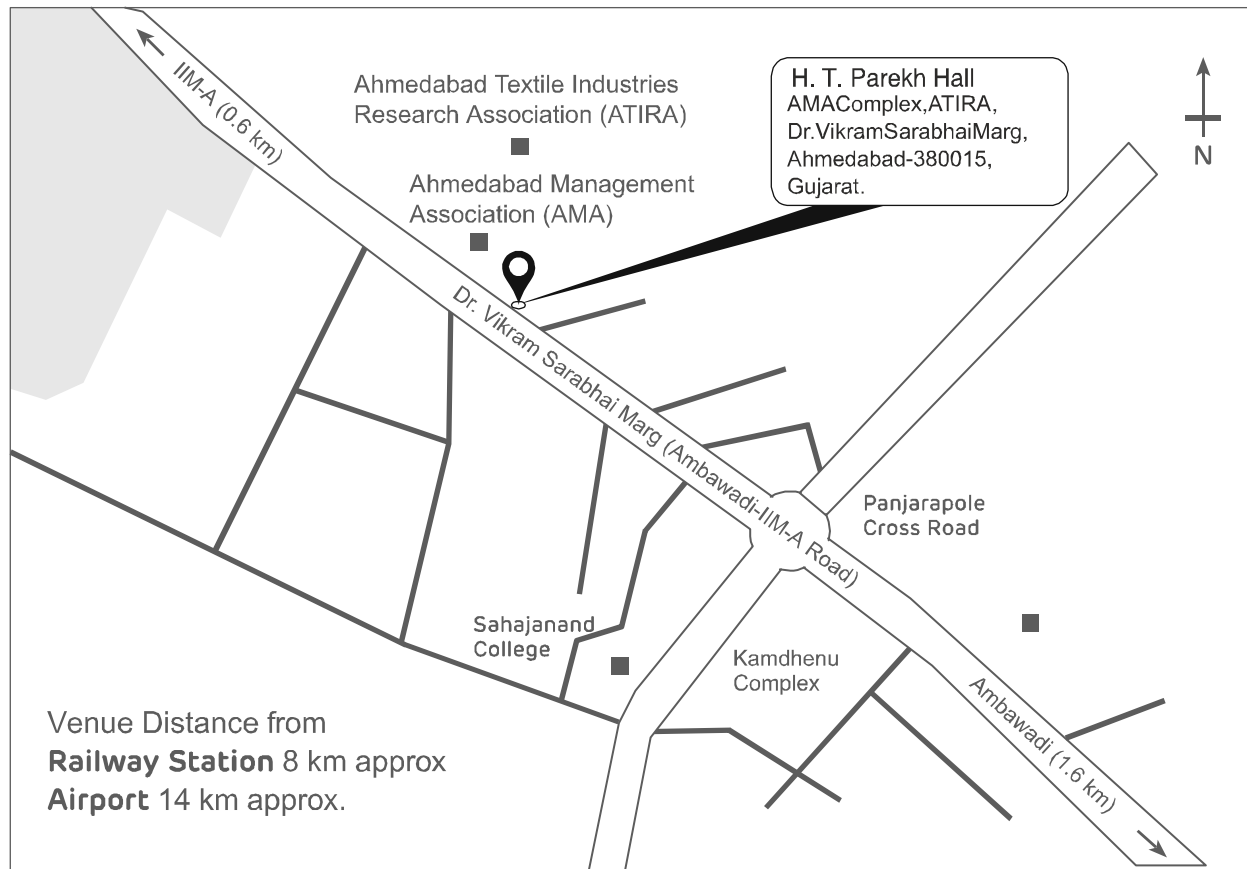
ROUTE MAP TO THE VENUE OF THE 10TH ANNUAL GENERAL MEETING

Venue :

H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus,
Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.

Landmark :

Opposite Indian Institute of Management (IIM), Ahmedabad





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SCIENCE FOR LIFE



Dishman Carbogen Amcis Limited.
Bhadr-Raj Chambers
Swastik Cross Road, Navrangpura
Ahmedabad - 380 009
Gujarat, India

www.dishmangroup.com

Dishman is a global, dynamic group of companies offering a continuum of services to the pharmaceutical industry. We are a global outsourcing partner for pharmaceutical companies, offering a portfolio of products and development, scale-up and manufacturing services.

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