



62nd ANNUAL REPORT 2013-2014



BOARD OF DIRECTORS

Mr. G.G.Desai
Chairman

Ms. Rajeshwari Datla

Mr. Sanjay Buch

Mr. Vinayak Hajare

Mr. Satish Varma

Mr. Krishna Datla
Managing Director

COMPANY SECRETARY

Mr. Srikant N. Sharma

CHIEF FINANCIAL OFFICER

Mr. K. H. Kashid

SOLICITORS

Crawford Bayley & Co.
Mundkur Law Partners

AUDITORS

S. R. Batliboi & Associates LLP

INTERNAL AUDITORS

M M Nissim & Co.

BANKERS

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

CORPORATE IDENTIFICATION NUMBER

L99999MH1951PLC008485

REGISTERED OFFICE

'dil' Complex, Ghodbunder Road,
Majiwada, Thane (West) – 400 610,
Maharashtra, India.
Tel No : +91 22 6798 0800/888
Fax No : +91 22 6798 0899
E-mail : contact@dil.net

WEBSITES

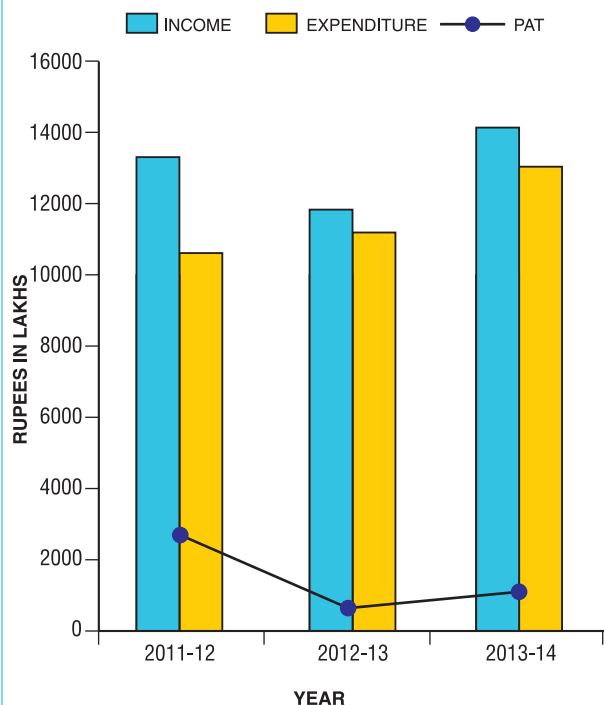
www.dil.net
www.thaneone.com
www.fermentabiotech.com
www.whitestripes.biz
www.zelalife.com

REGISTRAR AND TRANSFER AGENTS

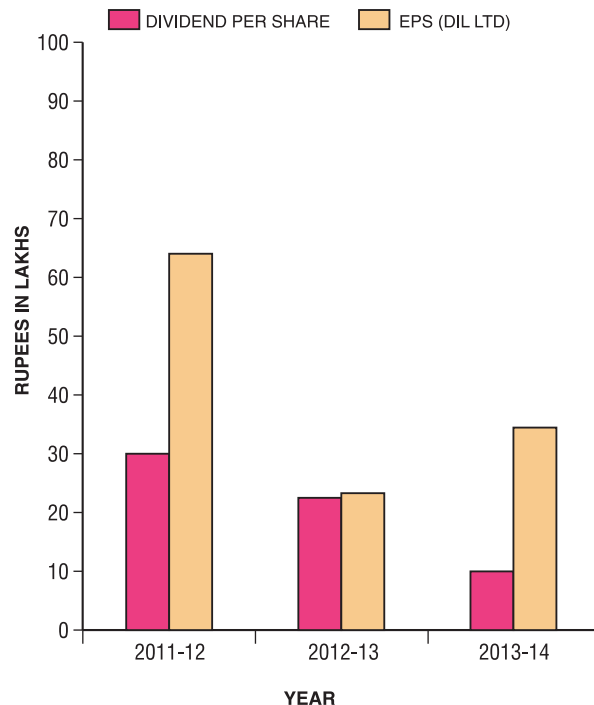
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078, Maharashtra, India.
Tel No : +91 22 2594 6970
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FINANCIAL HIGHLIGHTS - CONSOLIDATED

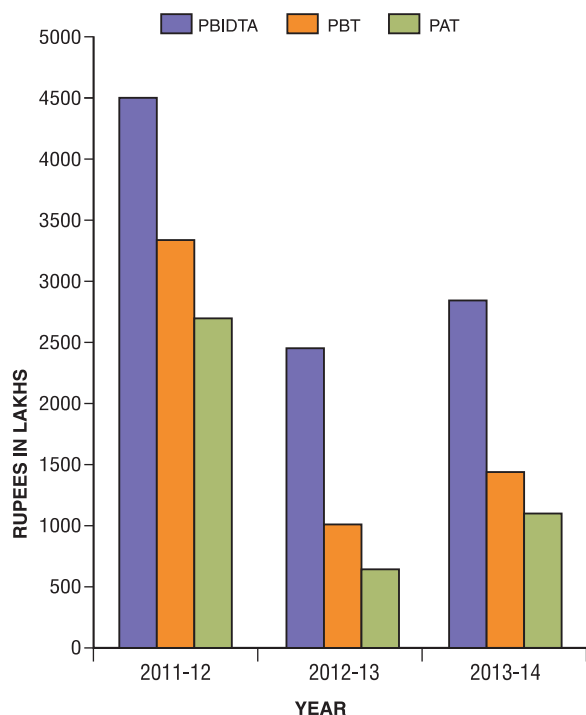
INCOME & EXPENDITURE



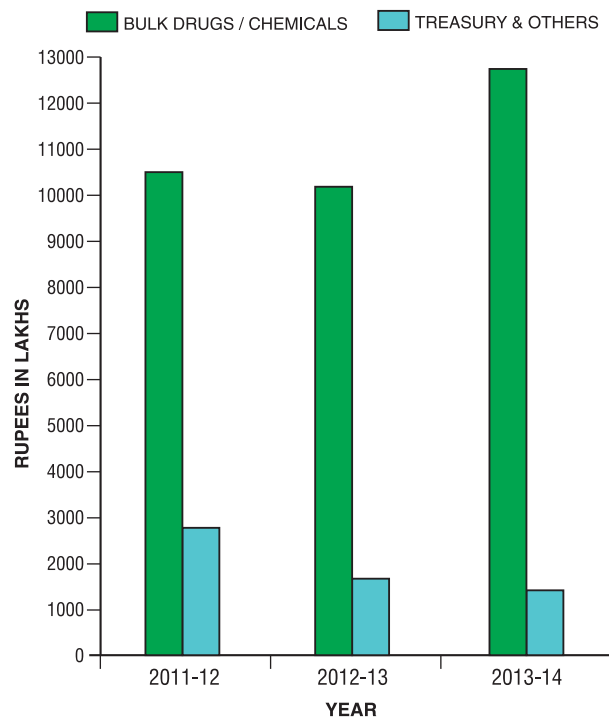
DIVIDEND PAYOUT (DIL LTD)



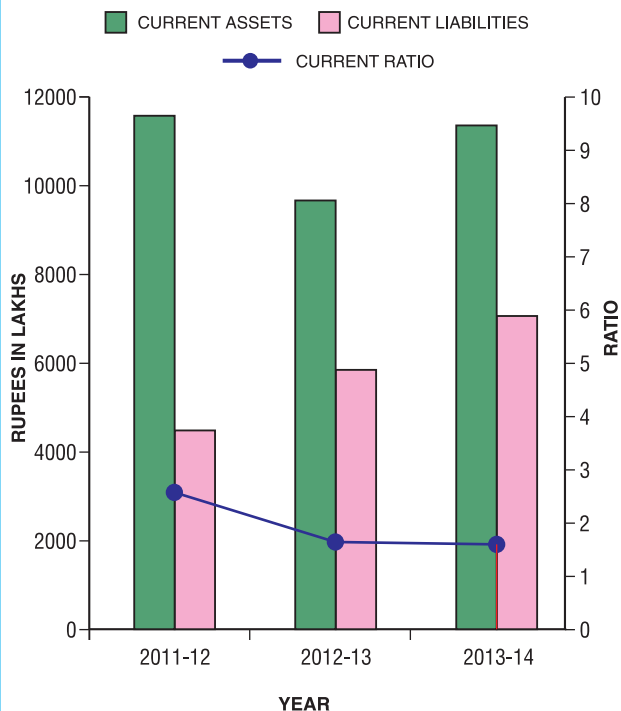
PROFITS



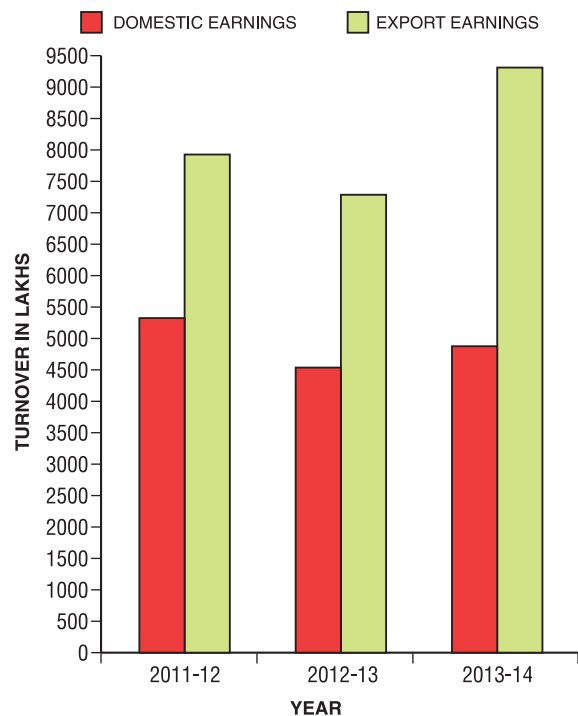
SEGMENT WISE REVENUE



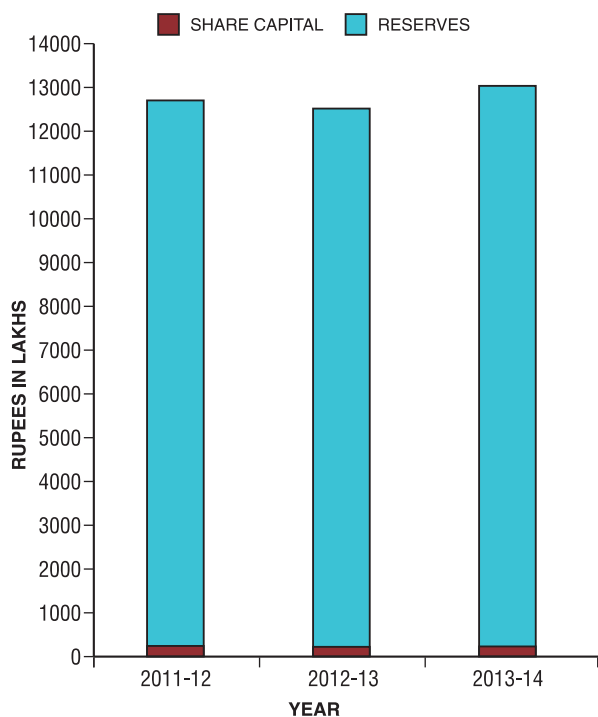
CURRENT RATIO



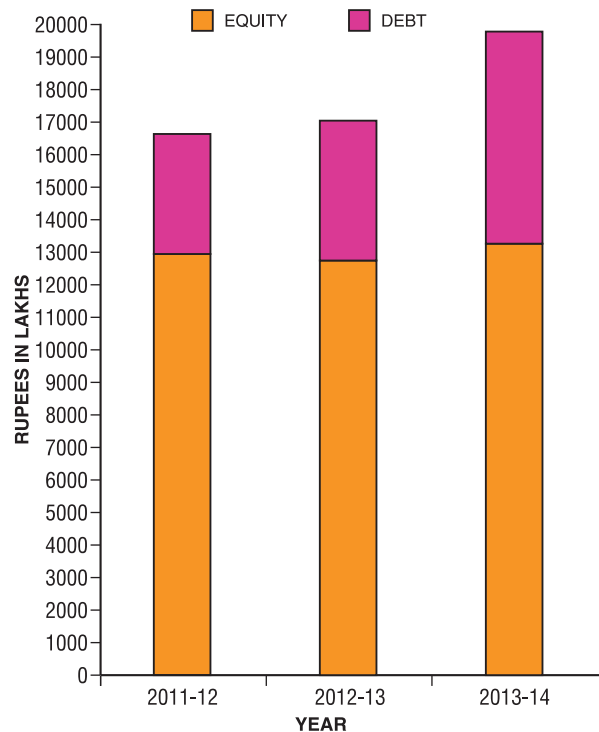
DOMESTIC & EXPORT EARNINGS



SHAREHOLDERS' FUND

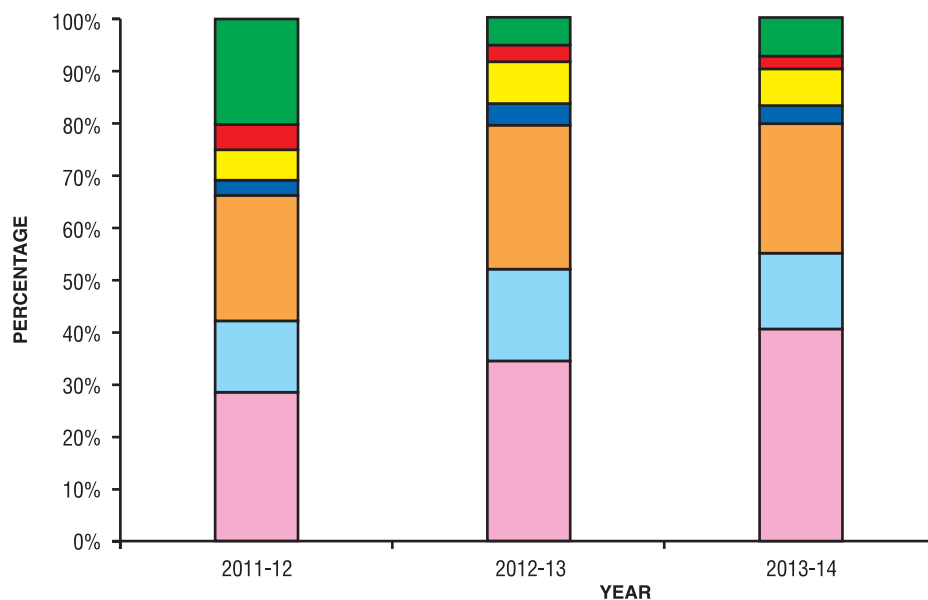


DEBT & EQUITY

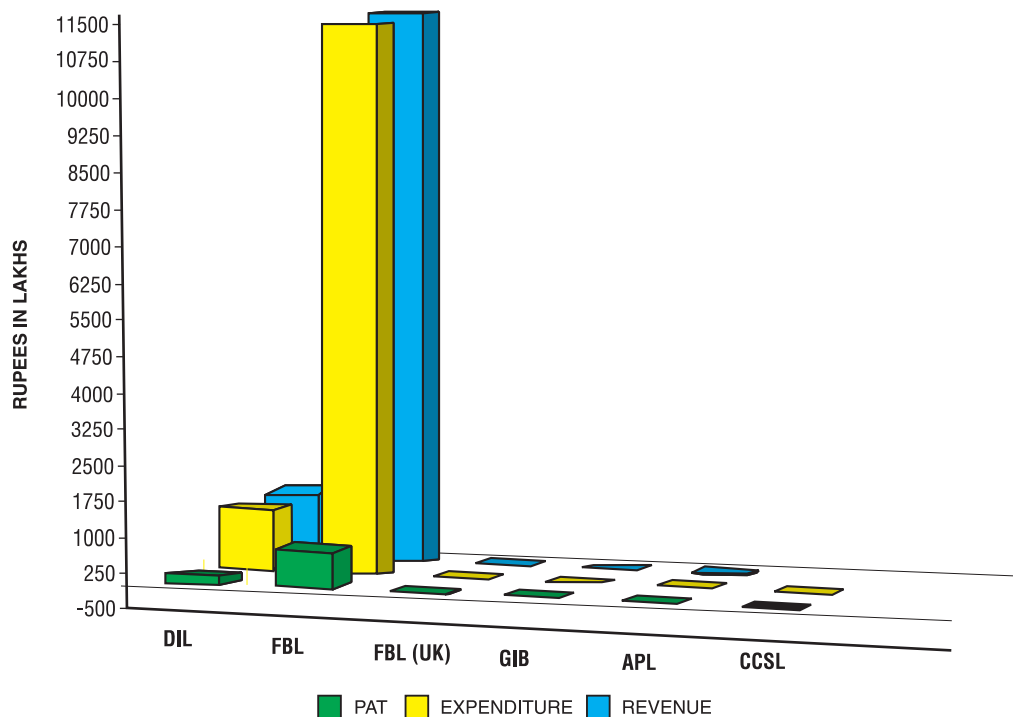


DISTRIBUTION OF REVENUE 2013-14

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



PERFORMANCE OF DIL & ITS SUBSIDIARY COMPANIES 2013-14



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DIL LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

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

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

NOTICE

Notice is hereby given that the Sixty-Second Annual General Meeting of the Members of DIL LIMITED will be held at its registered office at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400 610, Maharashtra on Wednesday, September 24, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Statement of Profit and Loss for the financial year ended March 31, 2014 and the Balance Sheet as at that date, Report of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend (₹ 7.50 per equity share) and to declare a Final Dividend on equity shares (₹. 2.50 per equity share) for the financial year ended March 31, 2014.
3. To appoint a Director in place of Ms. Rajeshwari Datla (DIN – 00046864), who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Statutory Auditors in place of retiring Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and Rules made thereunder (including any statutory modification(s) or re-enactment thereof), SRBC & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E) be and are hereby appointed as Statutory Auditors of the Company and to hold office from the conclusion of this 62nd Annual General Meeting (AGM) until the conclusion of 65th AGM of the Company in place of the retiring Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no. 101049W) subject to ratification by the members at every AGM of the Company during the above term, and the

Board of Directors be and are hereby authorized to fix the remuneration as may be recommended by the Audit Committee."

SPECIAL BUSINESS

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

Appointment of Mr. G.G. Desai as an Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act'), and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactment thereof for the time being in force), Mr. G.G. Desai (DIN-00140853), a Non-Executive Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. G.G. Desai for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years effective from April 1, 2014 to March 31, 2019."

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

Appointment of Mr. Sanjay Buch as an Independent Director

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act'), and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Sanjay Buch (DIN- 00391436), whose period of office as Non-Executive Director of the Company was liable to determination by retirement of

directors by rotation as per the erstwhile provisions of Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sanjay Buch for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years effective from April 1, 2014 to March 31, 2019."

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

Appointment of Mr. Vinayak Hajare as an Independent Director

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act'), and the Rules made thereunder read with Schedule IV to the Act (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Vinayak Hajare (DIN- 00004635), whose period of office as Non-Executive Director of the

Company was liable to determination by retirement of directors by rotation as per the erstwhile provisions of Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Vinayak Hajare for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years effective from April 1, 2014 to March 31, 2019."

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 12, 2014.

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

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('Act') with respect to the special business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE ANNUAL GENERAL MEETING (AGM). A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person cannot act as a proxy for any other person or member. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/ authority letter, as applicable.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of this AGM, a member would be entitled to inspect the proxies lodged at anytime during the business hours of the Company, provided that not less than three days notice in writing is given to the Company.
4. The Register of Members and Share Transfer Books will remain closed from Friday, September 12, 2014 to Wednesday, September 24, 2014 (both days inclusive) for the purpose of payment of final equity dividend for the financial year 2013-14.
5. Subject to the provisions of the Act, the final equity dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid on or after September 29, 2014 to those members whose names appear:
 - (a) in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before Thursday, September 11, 2014 and
 - (b) as beneficial owners as at the end of business hours on Thursday, September 11, 2014 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of shares held in dematerialized form.
6. The Company has provided facility to the Members for receiving dividend through National Electronic Clearing System (NECS) to avoid loss in transit, undue delay, fraudulent interception and encashment of dividend warrant(s). Members holding shares in physical form and wishing to avail this facility are requested to send their details in NECS mandate form to the Company's Registrar and Transfer Agents. Members holding shares in dematerialized (electronic) form are requested to note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. Members may note that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrant(s).
7. Dividend for the financial year ended March 31, 2007, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) on November 20, 2014, pursuant to the provisions of Section 124 of the Companies Act, 2013. Members who have not encashed their dividend warrants/drafts for the year ended March 31, 2007 or thereafter are requested to forward their claim(s) to the Company's Registered Office and/or to the Company's Registrar and Transfer Agents. Members are advised that no claims shall be entertained against the Company for such amount of unclaimed dividend transferred to the said IEPF.
8. Members are hereby informed that dividend, which remain unclaimed / unencashed over a period of seven (7) years, will be transferred by the Company to the IEPF as per Section 124 of the Act. Details of unpaid/unclaimed dividend as on the last AGM held on September 27, 2013 have been uploaded on the

website of the Company and in the prescribed Form containing such details have been filed with the Ministry of Corporate Affairs (MCA). All unclaimed dividend upto the financial year ended March 31, 2006 has been transferred to the IEPF.

9. The Company has received a Special Notice under Section 140(4) read with Section 115 of the Act from a Member of the Company proposing appointment of SRBC & Co. LLP, Chartered Accountants as Statutory Auditors in place of S.R. Batliboi & Associates LLP, Chartered Accountants, the retiring Statutory Auditors, who have expressed its unwillingness to continue as the Statutory Auditors of the Company upon the conclusion of this Annual General Meeting. The Company has sent a copy of the said Special Notice to the retiring Statutory Auditors. SRBC & Co. LLP, Chartered Accountants, has expressed its willingness and confirmed its eligibility under the provisions of the Act, the Chartered Accountants Act, 1949, rules and regulations made thereunder.
10. The profile of the Directors recommended for appointment / re-appointment at the Annual General Meeting under item no. 3, 5, 6 and 7 above, as required by Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, is furnished in the Corporate Governance Report.
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection at the venue of the AGM.
12. Members holding shares in the same name under different Ledger Folios and wish to consolidate such Folios may send the relevant share certificates to the Company's Registrar and Transfer Agents for necessary action(s).
13. Members holding shares in physical form can avail the nomination facility by filing Form SH-13 (in duplicate) prescribed under Section 72 of the Act and Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or to its Registrar and Share Transfer Agents. In case of shares held in dematerialized form, the nomination may be lodged with the Depository Participant. The above form will be made available on request.
14. The 62nd Annual Report along with Notice of the AGM, 'e-voting procedure', Ballot Form, Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company or with the Company's Registrar and Transfer Agents.
15. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Company is pleased to provide the Members with the facility through which the Members may exercise their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- (A) Members are requested to follow the steps as mentioned in point (i) to (xix) on page no. 119 of Annual Report and Other Instructions mentioned in point 15(B) below to cast their vote electronically ('e-voting').
- (B) Other instructions for e-voting:
 - i. The e-voting period commences on September 18, 2014 (9.00 a.m. IST) and ends on September 20, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 11, 2014, may cast their vote electronically. Once the vote on a resolution is cast by the Member, the same shall not be allowed to change it subsequently.
 - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 11, 2014.

- iii. 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.co.in under 'Help Section' or write an email to helpdesk.evoting@cdslindia.com.
 - iv. Mr. Ashish C. Bhatt, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - v. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Ashish C. Bhatt, Practising Company Secretary, at the Registered Office of the Company not later than September 20, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
 - vii. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
 - viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dil.net and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at this 62nd AGM of the Company on September 24, 2014 and communicated to Bombay Stock Exchange Limited, where the shares of the Company are listed.
16. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.
17. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company's Registered Office at least one week before the date of the meeting so that the information can be made available at the AGM.
18. Members / proxies should bring the attendance slip, duly filled in, for attending the meeting. Members are requested to bring their copies of the Annual Report as the same will not be distributed at the meeting.

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 12, 2014.

Registered Office:

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

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 ('Act')

Item No. 5, 6 and 7

Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare were appointed as Directors on November 29, 2001, April 28, 2007 and June 18, 2009 respectively. They are presently Independent Directors of the Company as per provisions of the Listing Agreement entered with the Bombay Stock Exchange Limited. In accordance with the erstwhile provisions of the Companies Act, 1956, office of Mr. Sanjay Buch and Mr. Vinayak Hajare as Non Executive Directors of the Company was liable to retire by rotation. However, Mr. G. G. Desai being the Chairman was not liable to retire by rotation as per the relevant provisions of the Articles of Association of the Company.

Pursuant to the provisions of Section 149 and 152 of the Act read with Rules made thereof, your Company is required to have atleast one third of total directors as Independent Directors, not liable to retire by rotation.

The Company has received notices in writing under the provisions of Section 160 of the Act, from Members along with a requisite deposit amount(s) respectively, proposing their candidature for the office of Independent Directors.

Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare are eligible for appointment as Independent Directors on the Board of the Company, as per Section 149 and other applicable provisions, if any, of the Act, and Rules made thereunder. In the opinion of the Board, Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors of the Company and are independent of the management. Further having regard to their qualification, knowledge and experience, appointment of Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare as Independent Directors will be in the interest of the Company.

It is therefore proposed to appoint Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare, as Independent Directors on the Board of the Company, not liable to retire by rotation for a term upto five consecutive years, effective from April 01, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided at page nos. 19 and 20 of this Annual Report.

A copy of the draft Letter of Appointment for Independent Directors, setting out the terms and conditions is available for inspection by the members at the Company's registered office between 11:00 a.m. to 1: 00 p.m. on any working date excluding Saturday up to the date of the Annual General Meeting.

None of the directors, key managerial personnel or their relatives, except Mr. G. G Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare, to whom the resolutions relate, is interested in the resolution.

The Board recommends the resolution set forth in Item no.5, 6 and 7 for the approval of the members.

By Order of the Board of Directors

Srikant N. Sharma
Company Secretary

Thane, August 12, 2014.

Registered Office:

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the 62nd Annual Report along with the Audited financial statements for the financial year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

	(Amount - ₹. in Lakhs)	
Stand alone results	2013-2014	2012-2013
Total Revenue	1,521.91	1,806.36
Total Expenditure	1,090.63	895.36
Profit before Interest, Depreciation and Tax ('EBIDTA')	431.28	910.73
Financial Cost	4.90	21.41
Depreciation and Amortization Expense	224.57	225.04
Interest Income	(4.73)	—
Profit before tax ('PBT')	206.54	664.28
Less : Provision for tax (including deferred tax)	64.38	130.26
Profit after tax ('PAT')	142.16	534.02
Balance brought forward	3,912.55	4,033.53
Balance for appropriations	4,054.71	4,567.55
Appropriations		
Interim Dividend	171.99	343.98
Proposed Dividend	57.33	171.99
Dividend Distribution Tax	38.97	85.03
Transfer to General Reserve	15.00	54.00
Balance in Statement of Profit and Loss	3,771.42	3,912.55
	4,054.71	4,567.55
Consolidated results		
Total Revenue	14,137.47	11,834.50
Total Expenditure	11,290.06	9,388.04
Profit before Interest, Depreciation and Tax ('EBIDTA')	2,847.41	2,446.46
Financial Cost	530.54	501.79
Depreciation and Amortization Expense	984.10	939.56
Interest Income	(4.73)	(5.04)
Profit before tax ('PBT')	1,337.50	1,010.15
Less : Prior period amortization expense	(102.83)	—
Less : Provision for tax (including deferred tax)	339.05	367.15
Profit after tax ('PAT')	1,101.28	643.00
Minority interest	(225.50)	(30.01)
Share of interest in profit/(loss) of associates	(87.91)	(197.08)
Net Profit	787.87	415.91
Balance brought forward	5,587.59	5,826.68
Balance for appropriations	6,375.46	6,242.59
Appropriations		
Interim Dividend	171.99	343.98
Proposed Dividend	57.33	171.99
Dividend Distribution Tax	38.97	85.03
Transfer to General Reserve	15.00	54.00
Balance in Statement of Profit and Loss	6,092.17	5,587.59
	6,375.46	6,242.59

RESULTS FROM OPERATIONS

During the year under review, the Company on a Standalone basis, recorded a revenue of ₹. 1,521.91 lakhs, (Previous year ₹. 1,806.36 lakhs). The profit before tax for the year under review was ₹. 206.54 lakhs (previous year ₹. 664.28 lakhs) and profit after tax was ₹. 142.16 lakhs for the year under review as against ₹. 534.02 lakhs in the previous year.

The Company on a consolidated basis recorded a revenue of ₹. 14,137.47 lakhs in the financial year 2013-2014 (Previous year ₹. 11,839.50 lakhs). The profit after tax was ₹. 1,101.28 lakhs as against ₹. 643 lakhs in the previous year.

DIVIDEND

During the year under review, the Board of Directors had declared and paid an interim dividend of ₹. 7.50 per equity share of ₹. 10 each (75%) for the financial year 2013-14. Your Directors also recommend a final dividend of ₹. 2.50 per equity share of ₹. 10 each (25%) for the year ended March 31, 2014, subject to the approval of the Members at this Annual General Meeting.

TRANSFER TO RESERVE

Your Directors propose to transfer ₹. 15 lakhs to General Reserve out of ₹. 4,054.71 lakhs i.e. the amount available for appropriations. An amount of ₹. 3,771.42 lakhs is proposed to be retained in the Statement of Profit and Loss for the financial year 2013-14.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been made as per the Listing Agreement with the Stock Exchange and the relevant Accounting Standards issued by the Institute of Chartered Accountants of India. The consolidated financial statements of the Company for the financial year 2013-14 includes financials of its subsidiaries i.e. Aegean Properties Limited, Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, CC Square Films Limited; its Joint Venture company, Vasko Glider s.r.o.; and associate companies, Health and Wellness India Private Limited and Zela Wellness India Private Limited.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company during the financial year 2013-14 mainly include:

- Ongoing Strategic investments in pharmaceuticals, wellness management and discoidol electrical motor technology;
- Engaged in research, development and product delivery across biotechnology, pharmaceuticals and environmental solutions through its subsidiary, Fermenta Biotech Limited (FBL); and
- Property rentals, treasury operations and production of motion pictures.

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

Industry Structure and developments:

The industry structure and development pertaining to pharmaceutical, biotech and environmental solutions of FBL is as follows:

The Indian pharmaceutical industry is firmly set on a path towards growth and is likely to be among the top ten global markets in value terms by 2020, according to the *PwC – CII report titled India Pharma Inc: Gearing up for the next level of growth*. The Indian pharma industry has been growing at a Compounded Annual Growth Rate (CAGR) of more than 15% over the last five years and has significant growth opportunities. However, for the industry to sustain this robust growth rate till 2020, companies will have to rethink their business strategies.

The Indian biotechnology industry has evolved over the last three decades to a mid-maturity stage and is expected to experience significant growth. By financial year 2017, India's biotech industry is estimated to increase to US\$ 11.6 billion from US\$ 4.5 billion in financial year 2014, growing at CAGR of around 22 %. If a favourable business environment is created, the biotechnology and healthcare sectors combined will be able to grow at a rate of 25-30 % and have the potential to generate revenues of US\$ 100 billion by 2025.

The Indian Active Pharmaceutical Ingredients (API) industry caters to both domestic as well as international markets. It is the third largest in the world, to grow at

CAGR 17% over 2011-2017. The Indian API is presently worth US\$ 9 billion and the forecast is to touch USD 16.90 billion by end of 2014. The global enzyme demand is expected to reach US\$ 6.9 billion by 2017. Increasing per capita incomes in developing countries will fuel strong gains in consumer related industrial applications such as food and beverages, animal feed and cleaning products. India's API business segment with robust Vitamin D3 off take across all pharmaceutical segments (pharmaceutical, veterinary food and dietary supplement, veterinary and feed additive segments) reported double-digit growth in the financial year 2013-14. Enhanced awareness has led to Vitamin D3 fortification in food items like cereals, candy bars, yogurt and flour bread. According to research firm, Frost & Sullivan, the Indian water and wastewater treatment market is estimated to reach ₹. 10,230 crore in the year 2016. With a growing demand from India's population, coupled with steady industrial growth, the water and wastewater treatment market is expected to be in the robust growth range of 10-12% annually.

Performance:

The total revenue of the Company on the standalone basis for the year 2013-14 was ₹. 1,521.91 lakhs as against ₹. 1,806.36 lakhs in the previous financial year. Profit after tax in the year 2013-14 was ₹. 142.16 lakhs. (₹. 534.02 Lakhs)

In the consolidated financial statements of the Company for 2013-14, the total revenue was recorded at ₹. 14,137.47 lakhs, as compared to ₹. 11,834.50 lakhs in the year 2012-13. Profit after tax was at ₹. 1,101.28 lakhs during the financial year 2013-14 as against ₹. 643 Lakhs in 2012-13, showing an increase of 71%.

The total revenue of FBL in the year 2013-14 was ₹. 12,716.79 lakhs as compared to ₹. 10,166.61 lakhs. In 2013-14, Profit after tax was ₹. 796.03 lakhs as against ₹. 111.10 lakhs in the financial year 2012-13. FBL's continuous efforts in investing its resources with the objective to ensure incremental scale, revenues and margins have shown results.

Opportunities and Outlook:

Opportunities and outlook of pharmaceutical, biotech and environmental solutions of FBL are:

The outlook for India's pharma sector for financial year 2015 (FY15) is positive due to increased exports. The domestic pharmaceutical market is likely to witness revenue growth. The strong export growth recorded in the past years will continue in the medium-term. This growth will be backed by various drugs going off-patent in the next three years, increasing traction for generic drugs globally and new generic drug approvals for Indian pharmaceutical companies in different jurisdictions. The pharmaceutical industry's profitability will continue to improve in FY15 as capacity utilisation improves with more products from the basket of approved products getting commercialised. Research & development and infrastructure spending in Indian biotech segment has increased considerably.

India is proud to produce around 1500 APIs out of 2300 API manufacturing units. India's API industry forecast is to touch USD 16.9 billion by end of 2014.

Growth in generic industry has spurred API demand worldwide. Increased emphasis of contract manufacturing has expanded the scope of captive API demand. Large percentage of API exports is of high value, servicing highly regulated markets with complex APIs.

The demand for enzyme globally is expected to increase substantially. Increasing population and per capita incomes in developing countries will improve consumer related industrial applications. Additionally growing manufacturing sector in Central and South America, Middle east, Eastern Europe and Africa also will increase the demand for enzyme. The Indian water and wastewater treatment market will continue its steady growth. Industrial sector is expected to show a higher rate than the municipal sector. Growing demand from India's population and industrial sectors will provide opportunities to the water and wastewater treatment industry. Several Government initiatives were announced like Biotech Industry Partnership Programme to boost industry participation, to develop new infrastructure facilities especially for biotech industry and increased budgetary allocations to the biotech sector.

At the backdrop of growing opportunities, FBL's competence, domain knowledge and innovations coupled with consistent deliverables will address the demanding standards and norms of large multinational companies and other entities as well.

Concerns:

Main concerns of three main divisions of FBL are:

The major challenges faced by the API and Biotech industry in the year under review were due to the impact of slow down of global economy, increasing competition *vis-a-vis* pricing, stricter regulatory requirements, volatile currency movement and unpredictable price structuring from Chinese entities. Lack of investment in biotechnology companies and low level of R&D spending may hamper India's ability to realize its vision in biotechnology industry. In the Environmental Solutions division, finalization of orders and implementation of municipal projects involves lengthy procedure and are time consuming.

Due to growing market requirements and demanding needs of customers from various geographies, implementation of optimal production plans is of high importance to meet and deliver product requirements of customers and to consolidate the market position. FBL regularly reviews viable opportunities and works on various options and strategies to improve performance and profitability of its operations in order to mitigate adverse impact on the overall performance and growth of the company.

Rentals and Treasury Operations:

Your Company reported a marginal decrease in property income from ₹. 1303 lakhs in the previous year to ₹. 1276 lakhs in the year under review. Key aspects of such marginal decline of revenue were unvarying rental income from Company's properties and non utilization of surrendered licensed premises.

The positive announcements made in the Union budget 2014-15 have been a welcome move for the real estate sector. Favourable tax frameworks and policy initiatives of the government will create better demands and growth avenues for the real estate industry. More importantly the initiatives reflected in the Budget 2014-15 give positive indications regarding government's willingness to address the concerns of the real estate industry.

As communicated earlier, the Company has obtained permission from Thane Municipal Corporation to redevelop part of its property situated at DIL Complex, Thane into Information Technology (IT) / Information Technology enabled Services (ITeS) Park, Thane One. As on the date of this report, almost 90% of the civil structure of Thane One has been completed. Barring

unforeseen circumstances, the building is expected to be ready for 'fit out' on or before September 30, 2014.

In last few years, Thane has been witnessing significant IT/ITeS office developmental activities. Focusing on infrastructure, Thane has gained prominence especially for IT/ITeS parks and offices, which constitutes major users of such commercial spaces. Thane's well connectivity with Mumbai, coupled with improved infrastructures drives the office space demand with increased interest. With cost effective rentals and growing demand from wider section of occupiers like IT/ITeS, BFSI, BPO, KPO, Thane is expected to emerge as one of the prime commercial destination soon.

De-escalation of rentals in prime office areas in Mumbai has resulted in unchanged rental income from Company's property in the year under review and for next few years. The company has initiated appropriate steps to mitigate impact, if any, on the project cost due to delay in completion of Thane One building. The current low demand for office space in and around Thane is another concern for the Company.

Treasury Operations:

In the year under review, the revenue generated from treasury operations of the Company was ₹. 245 Lakhs as against ₹. 499 Lakhs in the previous year. The key aspect for decline in revenue from treasury operations in the financial year 2013-14 was mainly due to encashment of mutual funds and other bank deposits which were utilised to meet the funding requirements of the on-going Thane One project. The initiatives announced in the Union budget 2014-15 pertaining to treasury operations, evoked mixed reactions and there are no material benefits from such initiatives. All investment proposals of the Company are reviewed and approved by the Investment Committee in order to ensure compliance of laid parameters and regulatory provisions for such investments.

Entertainment:

White Stripes, the entertainment division of the Company is maintaining a business alliance with Fox Star Studios India Pvt. Ltd. to present and co-produce the remake of film, 'Chupke Chupke'. White Stripes' is looking for more strategic tie-ups with other corporate production and distribution houses to be a part of this growing industry, without losing its focus on budgets, quality and content.

Indian film industry has grown to ₹. 125.3 billion in 2013 showing a 11.5% growth, and its expected to continue its growth trajectory and be worth ₹. 219.8 billion by 2018, with a CAGR of 11.9% as per the new KPMG industry report. With nearly 95% of the screens being digitized, a larger release for a movie is possible in a shorter time, which in turn increases the box office return.

INTERNAL CONTROL SYSTEMS

The Company has adopted an internal control system commensurate with its size, nature of operations, reporting(s) and compliance with applicable laws and regulations. The Internal Audit is conducted by an independent Chartered Accountant firm.

The Company has a well staffed, experienced and qualified Finance Department who play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements. The Audit Committee and the Board of Directors review the report(s) of the independent Internal Auditor at regular intervals on the adequacy and effectiveness of Internal Control system and suggest ways to improve it.

HUMAN RESOURCES

The year 2013-2014 was focused on Organisation Development (OD) interventions and retention programmes across levels.

The developmental interventions include Personal Profile Analysis and Human Job Analysis using behaviour assessment tools from Thomas Assessments, which facilitated an initial level of competency mapping for each job role.

Various retention & benefits strategies were initiated to maintain attrition levels as per industry standards. Compensation & Benefits surveys were also conducted to facilitate industry benchmarking. The team now looks forward to strengthen OD interventions and introduce Executive Development Programmes through IIMs for the senior management. As on March 31, 2014, the employee strength stands 45 for the Company and 283 for the other group companies.

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended March 31, 2014 is given as an Annexure to this report.

PUBLIC DEPOSIT

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

DIRECTORS

Ms. Rajeshwari Datla (DIN: 00046864), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare were appointed as Directors since November 29, 2001, April 28, 2007 and June 18, 2009 respectively. In accordance with the erstwhile provisions of the Companies Act, 1956, office of Mr. Sanjay Buch and Mr. Vinayak Hajare as Non Executive Directors of the Company was liable to retire by rotation. However, Mr. G. G. Desai being the Chairman was not liable to retire by rotation as per the relevant provisions of the Articles of Association of the Company. Mr. G. G. Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare are presently the independent directors of the Company as per the provisions of the Listing Agreement.

In view of above and as per the provisions of the Companies Act, 2013, and Rules made thereunder, read with Clause 49 of the Listing Agreement, the Independent Directors will hold office for a period of five consecutive years. Accordingly, it is proposed to appoint Mr. G.G Desai, Mr. Sanjay Buch and Mr. Vinayak Hajare as independent directors for a period of five consecutive years effective from April 1, 2014, not liable to retire by rotation.

Brief profile of the Directors proposed for appointment at the Annual General Meeting is provided at page nos. 19 and 20 of this Annual Report.

AUDITORS

The Company has received a letter from S. R. Batliboi & Associates LLP, Chartered Accountants expressing its unwillingness to continue as the statutory auditors of the Company upon the conclusion of the next Annual General Meeting of the Company. A Special Notice under Section 140(4) read with Section 115 of the Companies Act, 2013 has been received by the Company from a Member proposing appointment of SRBC & Co. LLP, Chartered Accountants (SRBC & Co LLP) as Statutory Auditors in place of S.R. Batliboi & Associates LLP, Chartered Accountants, the retiring Statutory Auditors. The Company has sent a copy of the said Special Notice to the retiring Statutory Auditors.

SRBC & Co. LLP has expressed its willingness and confirmed its eligibility under the provisions of Companies Act, 2013, the Chartered Accountants Act, 1949, rules and regulations made thereunder.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts for the financial year ended March 31, 2014 have been prepared on a 'going concern' basis.

SUBSIDIARY COMPANIES

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 and in accordance with the General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors consented that the Statement of Profit and Loss, Balance Sheet and other reports of the subsidiary companies will not be attached to the financial statements of the Company for the financial year 2013-2014. A statement containing the brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the Annual Report. The annual financial statements of the subsidiary companies and the related detailed information will be made available to any member of the Company seeking information at any point of time. The financial statements of the subsidiary companies will be kept open for inspection at the registered office of the Company.

The consolidated financial statements presented by the Company include financial information of its subsidiaries, Joint Venture and associate companies prepared in compliance with applicable Accounting Standards.

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

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

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

(B) Foreign Exchange Earnings and Outgo

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

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance along with the Corporate Governance Certificate issued by V N Deodhar & Co, Practicing Company Secretaries, forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

Based on CSR Committee recommendations, the Board of Directors of the Company approved the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

ACKNOWLEDGEMENTS

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

G. G. Desai
Chairman

Thane, August 12, 2014

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

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 are forming part of the Directors' Report for the year ended March 31, 2014

Name	Age (Yrs)	Designation	Gross remuneration (₹.)	Nature of duties	Qualification on	Experience (Yrs)	Date of appointment	Previous employment
KESHAV H. KASHID	64	CHIEF FINANCIAL OFFICER	6,026,945.00	FINANCE	B.COM (HONS.) ACA	42	16.12.1978	A.F. FERGUSON & CO.
IRFAN BANDUKWALLA	43	HEAD - STRATEGIC PLANNING & BUSINESS DEVELOPMENT	6,189,600.00	STRATEGIC PLANNING & BUSINESS DEVELOPMENT	B.COM (HONS.) ACA	22	29.01.2013	RADHAKRISHNA BUSINESS SOLUTIONS PVT. LTD.

Notes:

1. The gross remuneration shown above is subject to tax, and comprises salary, allowances, monetary value of perquisites as per income tax rules and the Company's contribution to provident fund and gratuity fund.
2. The above employment is contractual in nature.

For and on behalf of the Board of Directors

G. G. Desai
Chairman

Thane, August 12, 2014
Registered Office :
'DIL' Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

BOARD OF DIRECTORS

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

The Composition of the Board as on March 31, 2014 is as follows:

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

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

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

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

PROFILE OF DIRECTORS

- 1) Ms. Rajeshwari Datla (64) has rich experience in the Pharmaceutical Industry. Ms. Datla has been associated with the Company as member of the Board of Directors since 2005. Ms. Datla is a member of Audit Committee of DIL Limited and holds 19016 shares of the Company. Ms. Rajeshwari Datla, Director retires by rotation and being eligible, has consented for her re-appointment.
- 2) Mr. Govind G. Desai (82) has nearly five decades of experience in corporate and commercial law. Mr. G. G. Desai holds a Bachelors degree in Arts (Economics and Politics) and a Masters in Law. Mr. Desai is a

qualified solicitor of the Bombay Incorporated Law Society. He served as senior partner with Little & Co., and following his retirement, started his own practice. Mr. Desai is associated as Director on the Board of several public companies including Bliss GVS Pharma Limited, Lona Industries Limited, Alta Leasing & Finance Limited, Aegean Properties Limited, and IRB Infrastructure Developers Limited. He is also member of Audit Committee of Bliss GVS Pharma Limited and IRB Infrastructure Developers Limited and Chairman of Share Transfer Committee of IRB Infrastructure Developers Limited. Presently, Mr. Desai is not holding any shares in the Company.

- 3) Mr. Sanjay Buch (46), a practicing advocate and a solicitor, is a partner at Crawford Bayley & Co., a respected firm of advocates and solicitors, headquartered in Mumbai. Having a vast experience of attending to complex legal issues, for the past two decades, he has been involved in a wide spectrum of legal work ranging from corporate and business laws including mergers and acquisitions and advises several companies ranging from domestic and international corporations established in India. Mr. Buch is the Director on the Board of various public companies Fermenta Biotech Limited and Indofil Industries Limited. Mr. Sanjay Buch is also the Chairman of the Audit Committee and Stakeholders Relationship Committee of Fermenta Biotech Limited. He does not hold any shares in the Company.
- 4) Mr. Vinayak Hajare (55) is a distinguished alumnus of the Jamnalal Bajaj Institute of Management Studies. He has over three decades of work experience in areas such as Investment Banking and Corporate Finance. He not only served as an Associate Director at Ernst and Young but also held several senior positions in companies / institutions like Caylon Bank, Credit Lyonnais, and Lazard India. He is also the Founder & Director of InterGest South Asia Private Limited. Additionally, he is the Economic Representative of Saarland. He does not hold any shares in the Company.

BOARD MEETINGS / PREVIOUS ANNUAL GENERAL MEETING

- During the financial year under review, five Board Meetings were held on May 29, 2013, August 14, 2013, November 14, 2013, January 31, 2014 and February 13, 2014. The maximum gap between any two board meetings was less than four months, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.

Attendance at the five Board meetings and previous Annual General Meeting (AGM) held on September 27, 2013 is as follows:

Name	Board Meetings attended	Attendance at Previous AGM
Mr. G. G. Desai	5	Yes
Ms. Rajeshwari Datla	5	Yes
Mr. Sanjay Buch	5	Yes
Mr. Satish Varma	5	Yes
Mr. Krishna Datla	5	Yes
Mr. Vinayak Hajare	4*	Yes

* Mr. Vinayak Hajare attended the Board Meeting held on May 29, 2013 via teleconference.

AUDIT COMMITTEE

- The composition of the Audit Committee as on March 31, 2014 and the attendance of the Audit Committee members at the Committee meetings held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. G. G. Desai	Chairman	4
Ms. Rajeshwari Datla	Member	4
Mr. Sanjay Buch	Member	4
Mr. Vinayak Hajare	Member	3*
Mr. Satish Varma	Member	4

* Mr. Vinayak Hajare attended the Audit Committee Meeting held on May 29, 2013 via teleconference.

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

During the year under review, four Audit Committee meetings were held on May 29, 2013, August 14, 2013, November 14, 2013 and February 13, 2014. The representatives of the Auditor(s) and Chief Financial Officer also attended the Audit Committee meeting(s) as invitees. The Company Secretary acts as Secretary to the Audit Committee.

• **Terms of reference:**

The revised terms of reference of Audit Committee pursuant to the provisions of Section 177(4) of the Companies Act, 2013 and in furtherance to the terms of reference as provided in Listing Agreement was approved by Board of Directors in their meeting held on May 30, 2014.

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

1. Review company's financial reporting process and accounting policies and practices.
2. Review and recommend to the Board, appointment, re-appointment and removal of Statutory and Internal Auditors and their performances and fixation of remuneration, audit and other fees.
3. Review with management, quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval.
4. Review adequacy of internal control systems (including internal financial controls), risk management systems and internal audit function.
5. Review reports and significant findings, if any, of the Internal and Statutory Auditor and to ensure that suitable follow-up action is taken.
6. Discussion with Statutory Auditors and Internal Auditors about nature and scope of audit and areas of concern.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Examination of disclosure aspects of related party transactions and approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Monitoring the end use of funds raised through public offers and related matters.

12. Ensure compliance with Listing Agreement and other legal requirements relating to financial statements.
13. Review of financial statements of subsidiary companies, joint venture and associate companies.
14. Review substantial defaults in payments to stakeholders and creditors.
15. Any other functions as may be statutorily required.

NOMINATION AND REMUNERATION COMMITTEE

- The nomenclature of the Remuneration Committee has been changed to Nomination and Remuneration Committee with effect from May 30, 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.
- The Nomination and Remuneration Committee ('Committee') is entirely composed of independent directors.
- The composition of the Committee as on March 31, 2014:

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

During the year under review one Committee meeting was held on August 14, 2013. The Company Secretary acts as Secretary to the Committee.

• Terms of reference:

The terms of reference include:-

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

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

- Details of remuneration of Directors for the financial year ended March 31, 2014 are as follows:

Name of Director	Sitting Fees *	Salary	Contribution to PF and other funds	Benefits & Perquisites	Total	No. of Shares held
	(₹.)	(₹.)	(₹.)	(₹.)	(₹.)	
Mr. G. G. Desai Independent Director	1,45,000	—	—	—	1,45,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	1,20,000	—	—	—	1,20,000	19,016
Mr. Sanjay Buch Independent Director	1,45,000	—	—	—	1,45,000	NIL
Mr. Krishna Datla ** Managing Director	—	40,50,000	6,05,077	67,918	47,22,000	2,26,106
Mr. Satish Varma Non-Executive Director	1,40,000	—	—	—	1,40,000	NIL
Mr. Vinayak Hajare Independent Director	1,00,000	—	—	—	1,00,000	NIL
TOTAL	6,50,000	40,50,000	6,05,077	67,918	53,72,995	2,45,122

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

** The agreement between the Company and the Managing Director is for a period of five years effective May 9, 2010. Either party to the agreement is entitled to terminate the same by giving not less than three months notice in writing to the other party;

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

- During the year under review four Shareholders'/Investors' Grievance Committee meetings were held on May 29, 2013, August 14, 2013, November 14, 2013 and February 13, 2014. The composition of the Committee as on March 31, 2014 and the attendance at the said Committee meeting is as follows:

Name of the Director	Designation	Meetings attended
Mr. G.G. Desai	Chairman	4
Mr. Sanjay Buch	Member	4
Mr. Krishna Datla	Member	4
Mr. Satish Varma	Member	4

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

The nomenclature of the Shareholders'/Investors' Grievance Committee has been changed to Stakeholders Relationship Committee ('Committee') with effect from May 30, 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

• **Terms of Reference:**

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

- i) Redressal of Shareholders' grievances.
 - ii) Issue of duplicate Share Certificates.
 - iii) Review of Dematerialised shares.
 - iv) Transfer and Transmission of shares.
 - v) Other matters related to shares and/or investor grievances.
- Name and designation of Compliance Officer : Mr. Srikant N. Sharma - Company Secretary.
Investor Helpdesk:
Mr. Srikant Sharma
DIL Limited , 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) – 400610
Tel No.022-67980800 Fax:-022-67980899
e-mail: srikant.sharma@dil.net
 - The number of investor complaints received and resolved during 2013-2014 was 12.
 - Pending complaints as on March 31, 2014 were nil.

GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Special Resolution(s) passed
2010-2011	September 27, 2011 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	No Special Resolution was passed.
2011-2012	September 28, 2012 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	No Special Resolution was passed.
2012-2013	September 27, 2013 at 3.00 p.m.	'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) - 400610.	Payment of remuneration to Mr. Krishna Datla, Managing Director of the Company in case of absence or inadequacy of profits

Postal Ballot

No special resolution was passed by way of Postal Ballot during the financial year ended March 31, 2014.

DISCLOSURES

- In line with the requirement of the amended Clause 49 of the Listing Agreement, the Company had appointed a reputed consultancy firm to do a complete review of the potent risks areas to the Company and to devise systems for review and implementation. Based on the system and procedures devised, the risk management reports are periodically placed before the Audit Committee and Board of Directors for review.

- During the year under review there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries, joint venture and associate companies or relatives etc. that may have potential conflict with the interests of the Company at large. Suitable disclosure as required under the Accounting Standard (AS-18) has been made in the Annual Report.
- During the last three years, there were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets.
- Pursuant to Clause 49 of the Listing Agreement, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2014. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- The Board of Directors has adopted a Whistle Blower Policy / Vigil Mechanism with effect from May 30, 2014 for Directors and employees of the Company to report instances of unethical behavior, actual or suspected, fraud or violation of Code of Conduct of the Company or other similar genuine concern or grievances details of Vigil Mechanism are displayed on Company's website (www.dil.net).

- **Reconciliation of Share Capital Audit**

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

- **Compliance with Mandatory Requirements**

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

- **Compliance with Non-Mandatory Requirements**

With regard to the non-mandatory requirements of Clause 49 of the Listing Agreement, the Company has constituted a Nomination and Remuneration Committee and adopted Whistle Blower Policy / Vigil Mechanism, details of which are provided elsewhere in this report.

- **Shareholder's Rights**

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

MEANS OF COMMUNICATION

- The quarterly results, published in the proforma prescribed under the Listing Agreement, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith sent to the Bombay Stock Exchange Limited where the Company's shares are listed.
- Newspapers wherein quarterly results are published : Business Standard (English)
& Sakal (Marathi)

- Any website, where displayed : Yes, BSE website www.bseindia.com and the company's website www.dil.net
- Corpfilling : Information to the Stock Exchange is also being filed through corp-filing. Investors can view this information by visiting the website www.corpfilling.co.in
- Online filing with BSE Corporate Compliance & Listing Centre : All periodical compliances of the Company as per listing agreement with Stock Exchange are also being filed online with the BSE Corporate Compliance & Listing Centre.
- SEBI Complaints Redress System (SCORES) : The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralized web based complaints redress system of SEBI (SCORES). The salient features of this system is centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status.
- Whether it also displays official news releases and presentations made to institutional investors or to analysts : NA
- Management discussion and analysis report (MD&A) is a part of the Annual report or not : MD&A Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting : Wednesday, September 24, 2014 at 3.00 p.m. at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (W), 400610.
- Financial Year : April 1 to March 31
 - Financial reporting for the quarter ending June 30, 2014 : By August 14, 2014
 - Financial reporting for the quarter ending September 30, 2014 : By November 14, 2014
 - Financial reporting for the quarter ending December 31, 2014 : By February 14, 2015
 - Financial reporting for the year ending March 31, 2015 : By May 30, 2015
- Date of Book closure : Friday, September 12, 2014 to Wednesday, September 24, 2014 (Both days inclusive)
- Dividend Payment Date : Interim dividend (2013 -2014) of ₹. 7.50 per equity share was paid on March 1, 2014 and final dividend (2013-2014) of ₹. 2.50 per equity share, if declared at this AGM, shall be paid on or after September 29, 2014

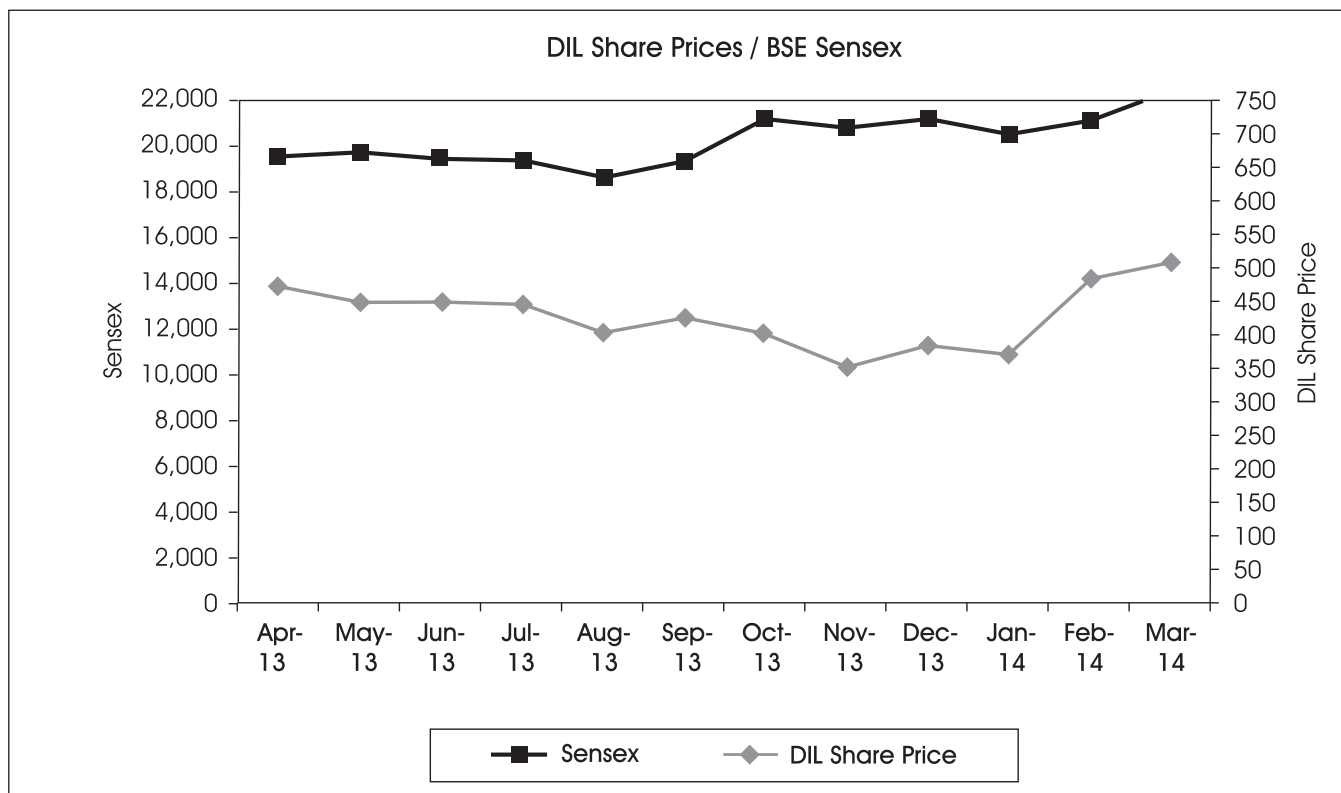
- Listing on Stock Exchanges : Bombay Stock Exchange Limited
(Listing Fees for the year 2014-15 has been paid)
- Scrip Code on the Bombay Stock Exchange Limited : 506414
- Market Price Data : High / low of the Company's stock price during each month in the financial year ended March 31, 2014.

Month	Bombay Stock Exchange Limited (BSE)	
	High (₹.)	Low (₹.)
April 2013	580.00	421.20
May 2013	497.90	426.00
June 2013	480.00	416.00
July 2013	472.90	433.10
August 2013	450.00	400.00
September 2013	426.30	397.00
October 2013	441.00	396.05
November 2013	432.65	352.00
December 2013	402.85	358.50
January 2014	430.00	369.00
February 2014	512.05	361.20
March 2014	530.00	460.00

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

Month	Company's Closing Price (₹.)	Sensex Closing Price (₹.)	No. of shares of the Company traded
April 2013	474.20	19504.18	2081
May 2013	451.05	19760.3	3840
June 2013	450.50	19395.81	3621
July 2013	445.00	19345.7	2165
August 2013	404.00	18619.72	5156
September 2013	426.00	19379.77	5713
October 2013	403.80	21164.52	2013
November 2013	354.00	20791.93	6853
December 2013	386.00	21170.68	5386
January 2014	372.30	20513.85	6461
February 2014	486.35	21120.12	18165
March 2014	508.75	22386.27	35072

• DIL Limited's Share Price Movement / BSE Sensex



- Registrar and Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078.
Maharashtra, India.
Tel No : +91 22 2594 6970
- **Share Transfer System:** · Shares are normally transferred within a period of 15 days from the date of receipt, provided the documentation is in order. In order to expedite the process of share transfers, the Board of Directors has delegated the powers of share transfer and related matters to Mr. G.G Desai, Chairman of the Stakeholders Relationship Committee and/or Mr. Sanjay Buch, Member of the Stakeholders Relationship Committee, who attends the share transfer formalities at least once in a fortnight. The meeting of Stakeholders Relationship Committee is also held once in every three months. All transfers of shares in physical mode are registered and approved by authorised signatories of the Company.

- Distribution of the Company's Equity shareholding as on March 31, 2014

Sr. No.	Range in no. of shares	Holding (No. of shares)	Amount (₹.)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	328960	3289600	14.34	4715	96.22
2	501 - 1000	67897	678970	2.96	93	1.90
3	1001 - 2000	65274	652740	2.85	45	0.92
4	2001 - 3000	39190	391900	1.71	16	0.33
5	3001 - 4000	7061	70610	0.31	2	0.04
6	4001 - 5000	31812	318120	1.39	7	0.14
7	5001 - 10000	61906	619060	2.70	9	0.18
8	10001 and above	1691098	16910980	73.74	13	0.27
	Total	2293198	2293198	100	4900	100

- Equity Shareholding Pattern as on March 31, 2014

	Shareholding (no. of Shares)	% of Holding
Promoters	1462341	63.77
Foreign Banks & NRI's	11343	0.50
Banks and Financial Institutions	17	0.00
Other Bodies Corporate	84213	3.67
General Public	713276	31.10
Clearing Members	22008	0.96
TOTAL	2293198	100

- **Dematerialisation of Shares:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with both the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. respectively. The shares of the Company are compulsorily traded in the dematerialized form in the Stock Exchanges. Presently 96.44% of the equity shares of the Company have been dematerialized.

- Address for Correspondence :

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

DIL LIMITED
'DIL' Complex, Ghodbunder Road,
Majiwada, Thane (W) – 400 610.
Maharashtra, India
Tel No : +91 22 6798 0888
Fax No : +91 22 6798 0899
Email : srikant.sharma@dil.net

For and on behalf of the Board of Directors

G. G. Desai
Chairman

Thane, August 12, 2014

Registered Office :

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

CODE OF CONDUCT**Declaration as required under Clause 49 of the Listing Agreement**

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2014.

for DIL LIMITED

Thane
August 12, 2014

KRISHNA DATLA
Managing Director

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by DIL Limited ('the Company') for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

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

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

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

V N DEODHAR

PROP.
FCS: 1880
CP: 898

Thane, August 12, 2014

Independent Auditor's Report

To

The Members of DIL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of DIL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required bylaw have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W

per Vikram Mehta

Partner

Membership Number : 105938

Place of signature : Mumbai

Date : May 30, 2014

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: DIL Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
(c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The nature of the business of the company is such that it does not have inventory in tangible form. Accordingly, the provision of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (iii) (a) The Company has granted loan to Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹. 332.50 lacs and the year-end balance of loans granted to such parties was ₹. 232.50 lacs.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
(c) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.

- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The provisions relating to custom duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax and cess on account of any dispute, are as follows:

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

* Company has paid the same under protest

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a banks. The Company has no outstanding dues to a financial institution or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W

per Vikram Mehta

Partner

Membership Number : 105938

Place of signature : Mumbai

Date : May 30, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Notes	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	229.32	229.32
Reserves and surplus	4	9,082.57	9,208.70
		<u>9,311.89</u>	<u>9,438.02</u>
Non-current liabilities			
Long-term borrowings	5	1,522.93	36.93
Deferred tax liability (net)	6	20.54	20.47
Other long-term liabilities	7	408.98	77.27
Long-term provisions	8	29.42	26.44
		<u>1,981.87</u>	<u>161.11</u>
Current liabilities			
Trade payables	9	76.36	72.88
Other current liabilities	9	1,657.34	860.10
Short-term provisions	8	81.99	215.33
		<u>1,815.69</u>	<u>1,148.31</u>
TOTAL		<u>13,109.45</u>	<u>10,747.44</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	777.47	973.17
Intangible assets	11	2.42	4.84
Capital work-in-progress		3,401.70	1,262.46
		<u>4,181.59</u>	<u>2,240.47</u>
Non-current investments	12	3,567.87	3,002.11
Long-term loans and advances	13	629.71	903.95
Other non-current assets	14.2	2.80	24.29
		<u>4,200.38</u>	<u>3,930.35</u>
Current assets			
Current investments	15	300.00	205.00
Inventories	16	45.06	45.06
Trade receivables	14.1	37.56	56.91
Cash and bank balances	17	3,575.55	3,291.97
Short-term loans and advances	13	683.85	807.34
Other current assets	14.2	85.46	170.34
		<u>4,727.48</u>	<u>4,576.62</u>
TOTAL		<u>13,109.45</u>	<u>10,747.44</u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary	

Thane
Date: May 30, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Notes	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
INCOME:			
Revenue from operations	18	1,519.44	1,801.67
Other income	19.1	2.47	4.69
Total revenue (I)		1,521.91	1,806.36
EXPENSES:			
Employee benefits expense	20	435.83	347.22
Other expenses	21	654.80	548.41
Total (II)		1,090.63	895.63
Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)		431.28	910.73
Depreciation and amortization expense	22	224.57	225.04
Interest income	19.2	(4.73)	–
Finance costs	23	4.90	21.41
Profit before tax		206.54	664.28
Tax expense:			
Current tax		77.51	127.32
Provision for tax in respect of earlier years written (off)/back		(13.20)	–
Deferred tax charge		0.07	2.94
Total tax expense		64.38	130.26
Profit for the year		142.16	534.02
Earnings per equity share			
[nominal value of share ₹.10/-]	24		
Basic / Diluted (₹.)		6.20	23.29

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

SATISH VARMA
Director

K. H. KASHID
Chief Financial Officer

Thane
Date: May 30, 2014

KRISHNA DATLA
Managing Director

SANJAY BUCH
Director

SRIKANT N. SHARMA
Company Secretary

RAJESHWARI DATLA
Director

VINAYAK HAJARE
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	206.54	664.28
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and amortization expense	224.57	225.04
(Profit) on sale of fixed assets (net)	(1.45)	(1.34)
Loss on deletion of fixed assets	0.06	3.52
Interest expenses	4.90	21.41
Interest on Income tax refund	(4.73)	—
Operating profit before working capital changes	429.89	912.91
Movements in working capital :		
Increase/(decrease) in trade payables	3.48	49.23
Increase/(decrease) in long-term provisions	2.98	4.38
Increase/(decrease) in short-term provisions	0.81	1.93
Increase/(decrease) in other current liabilities	(14.87)	(30.22)
Decrease/(increase) in trade receivables	19.35	(31.03)
Decrease/(increase) in long-term loans and advances	240.04	(221.86)
Decrease/(increase) in short-term loans and advances	186.73	142.36
(Increase)/decrease in other current assets	84.88	71.92
(Increase)/decrease in other non-current assets	21.49	(24.29)
(Increase)/decrease in non-current investments	(565.76)	(157.35)
(Increase)/decrease in current investments	(95.00)	600.37
Cash generation from operations	314.02	1,318.35
Direct taxes paid (net of refunds)	(122.82)	(220.93)
Net cash flow from operating activities	(A) 191.20	1,097.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(1,993.16)	(1,312.38)
Proceeds from sale of fixed assets	1.44	1.34
Investments in bank deposits (having original maturity of more than three months)	(3,126.65)	(3,088.86)
Proceeds of bank deposits matured (having original maturity of more than three months)	3,088.86	4,217.86
Net cash flow (used in) investing activities	(B) (2,029.51)	(182.04)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	2,509.23	—
Repayment of long-term borrowings	(21.98)	(19.97)
Interest paid	(4.90)	(21.41)
Dividend paid on equity shares	(339.79)	(681.95)
Tax on equity dividend paid	(58.46)	(111.60)
Net cash flow from/ (used in) in financing activities	(C) 2,084.10	(834.93)
Net increase in cash and cash equivalents	(A+B+C) 245.79	80.45
Cash and cash equivalents at the beginning of the year	203.11	122.66
Cash and cash equivalents at the end of the year	<u>448.90</u>	<u>203.11</u>
Components of cash and cash equivalents		
Cash on hand	6.20	1.67
With scheduled banks on:		
Current account	404.55	168.78
Unclaimed dividend account*	28.97	24.78
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s. Czech Republic	9.18	7.88
Total cash and cash equivalents (Refer Note 17)	<u>448.90</u>	<u>203.11</u>

Note

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

Summary of significant accounting policies (Refer Note 2.1)

As per our report of even date	For and on behalf of the Board of Directors		
For S. R. Batliboi & Associates LLP Firm Registration No.101049W Chartered Accountants	G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
per Vikram Mehta Partner Membership No : 105938	SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
	K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary	
Mumbai Date: May 30, 2014	Thane Date: May 30, 2014		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Corporate information

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision of impairment is made.

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

2.1 Summary of significant accounting policies

a) Presentation and disclosure of financial statements

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

(b) Use of estimates

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

(c) Tangible fixed assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used rates based on the following estimated useful life of the fixed assets

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

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

(e) Intangible assets

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

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

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

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

(f) Impairment of tangible and intangible asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

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

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

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

(g) Investments

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

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

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

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

(h) Inventories

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

(i) Retirement and other employee benefit

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

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

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

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

(j) Revenue recognition

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

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

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

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

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

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

Company provides Infrastructure support services (Refer note 18) as per contractual obligation and the income from such services are recognised on proportionate basis as and when the services are rendered, in accordance with the arrangement entered into as per contracted rates. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

(k) Foreign currency transactions

Initial recognition

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

of the transaction.

Conversion

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

Exchange difference

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

(l) Leases

As Lessee

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

As Lessor

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

(m) Income taxes

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

taxable income will be available.

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

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

(n) Provisions

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

(o) Contingent liabilities

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

(p) Earnings per share

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

(q) Cash and cash equivalents

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

(r) Segment Reporting

Identification of segments :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Allocation of common costs :

Common costs are treated as unallocable costs.

Unallocated items :

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

Segment Policies :

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

(s) Measurement of EBITDA

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

(t) Borrowing costs

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 3 - SHARE CAPITAL:		
Authorised Shares:		
49,20,000 (March 31, 2013 - 49,20,000) Equity shares of ₹.10/- each	492.00	492.00
80,000 (March 31, 2013 - 80,000) Unclassified shares of ₹.10/- each	8.00	8.00
	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and fully paid up shares:		
22,93,198 (March 31, 2013 - 22,93,198) Equity shares of ₹.10/- each.	229.32	229.32
	<u>229.32</u>	<u>229.32</u>

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

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

b) Terms/rights attached to equity shares

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

During the year ended March 31, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹.10/- (March 31, 2013: ₹.22.50)

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

c) Shares held by holding company

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31, 2013 - 12,36,235) equity shares of ₹.10/- each fully paid	123.62	123.62

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

Name of the shareholder Equity shares of ₹.10/- each fully paid,	March 31, 2014		March 31, 2013	
	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91 %
Mr. Krishna Datla	2.26	9.86%	2.13	9.29 %

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 4 - RESERVES AND SURPLUS:		
Capital Reserve:	1,140.00	1,140.00
General Reserve:		
Balance as per last financial statements	4,156.15	4,102.15
Add: Amount transferred from surplus balance in the statement of profit and loss	15.00	54.00
Closing Balance	4,171.15	4,156.15
Surplus in the statement of profit and loss		
Balance as per last financial statements	3,912.55	4,033.53
Profit for the year	142.16	534.02
Less: Appropriations		
Interim equity dividend (amount per share ₹.7.50 (March 31, 2013: ₹.15/-))	(171.99)	(343.98)
Tax on Interim equity dividend	(29.23)	(55.80)
Proposed final equity dividend (amount per share ₹.2.50 (March 31, 2013: ₹.7.50))	(57.33)	(171.99)
Tax on proposed equity dividend	(9.74)	(29.23)
Transfer to general reserve	(15.00)	(54.00)
Total appropriations	(283.29)	(655.00)
Net surplus in the statement of profit and loss	3771.42	3,912.55
Total Reserves and surplus	9,082.57	9,208.70

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 5 - LONG-TERM BORROWINGS:				
From Bank (Secured Term Loan) for Thane One	1509.23	—	1000.00	—
Vehicle loan from banks (secured)	13.70	36.93	23.24	21.99
Amount disclosed under the head "other current liabilities" (Refer Note 9)	—	—	(1,023.24)	(21.99)
Net amount	1,522.93	36.93	—	—

Vehicle loans from banks were taken during the financial year 2008-09 to 2011-12 and carries interest ranging between @ 8.20% to 12.76% p.a. The loan is repayable in 36 / 60 monthly installments including interest. The loan is secured by hypothecation of vehicles.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014		March 31, 2013	
	₹. in Lakhs		₹. in Lakhs	
NOTE 6 - DEFERRED TAX LIABILITY (NET):				
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		37.91		37.40
Others		5.13		4.33
Gross deferred tax liability		43.04		41.73
Deferred tax asset				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		14.39		13.15
Provision for doubtful debts and advances		8.11		8.11
Gross deferred tax asset		22.50		21.26
Net deferred tax liability		20.54		20.47
	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 7 - OTHER LONG-TERM LIABILITIES				
Deposits from tenants	408.98	77.27	76.77	493.27
Amount disclosed under "other current liabilities" (Refer note 9)			(76.77)	(493.27)
	408.98	77.27	-	-
	Long Term		Short Term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 8 - PROVISIONS:				
Provision for employee benefits				
Long term compensated absences	29.42	26.44	14.92	14.11
	29.42	26.44	14.92	14.11
Other provisions				
Proposed dividend	-	-	57.33	171.99
Provision for tax on proposed equity dividend	-	-	9.74	29.23
	-	-	67.07	201.22
	29.42	26.44	81.99	215.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 9 - CURRENT LIABILITIES:		
Trade payables	76.36	72.88
(refer note below for details of dues to micro and small enterprises)		
Other current liabilities:		
Payable to subsidiary company - Fermenta Biotech Ltd.	0.40	0.42
Current maturities of long-term borrowings (Refer Note 5)	1,023.24	21.99
Current maturities of deposits from tenants (Refer Note 7)	76.77	493.27
Investor Education and Protection Fund will be credited by the following amount (as and when due)		
Unclaimed dividends	28.97	24.78
Others		
Statutory dues	19.84	21.21
Liability for capital expenditure	196.62	58.24
Others	311.50	240.19
	1,657.34	860.10
	1,733.70	932.98

Note:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 10 - TANGIBLE ASSETS:

₹. in Lakhs

	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
Cost							
At April 1, 2012	20.79	757.86	451.33	287.43	207.29	295.73	2,020.43
Additions	–	26.96	8.45	5.07	–	–	40.48
Disposal	–	–	(8.08)	(0.02)	(8.21)	–	(16.31)
At March 31, 2013	20.79	784.82	451.70	292.48	199.08	295.73	2,044.60
Additions	–	–	4.45	–	21.85	–	26.30
Disposal	–	–	(2.33)	–	(12.89)	–	(15.22)
At March 31, 2014	20.79	784.82	453.82	292.48	208.04	295.73	2,055.68
Depreciation							
At April 1, 2012	–	296.12	167.00	260.29	64.20	64.20	851.81
Charge for the year	–	148.96	25.56	15.90	22.33	9.69	222.44
Disposal	–	–	(4.56)	(0.02)	(8.21)	–	(12.79)
At March 31, 2013	–	445.08	188.00	276.17	78.32	73.89	1,061.46
Charge for the year	–	156.68	23.29	9.23	23.06	9.69	221.95
Disposal	–	–	(2.28)	–	(12.89)	–	(15.17)
At March 31, 2014	–	601.76	209.01	285.40	88.49	83.58	1,268.24
Impairment loss							
At April 1, 2012	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–
At March 31, 2013	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–
At March 31, 2014	–	–	9.97	–	–	–	9.97
Net Block							
At March 31, 2013	20.79	339.74	253.73	16.31	120.76	221.84	973.17
At March 31, 2014	20.79	183.06	234.84	7.08	119.55	212.15	777.47

Note:

- Land includes ₹.8.06 Lakhs (March 31, 2013 ₹.8.06 Lakhs) being cost of land held in trust by Directors of the Company
- Major portion of the building at Thane has been given on lease
- Plant and equipment includes:
 - Assets held for disposal
 - Gross block ₹.26.53 Lakhs (March 31, 2013 - ₹.26.53 Lakhs)
 - Net block ₹.Nil (March 31, 2013 - ₹.Nil)
- Vehicles includes hypothecated to banks
 - Gross block ₹.143.20 Lakhs (March 31, 2013 - ₹.143.20 Lakhs)
 - Depreciation charge for the year ₹.59.04 Lakhs (March 31, 2013: ₹.17.00 Lakhs)
 - Accumulated depreciation ₹.84.16 Lakhs (March 31, 2013: ₹.42.04 Lakhs)
 - Net block ₹.84.16 Lakhs (March 31, 2013 - ₹.101.16 Lakhs)
- Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 11 - INTANGIBLE ASSETS:

	₹. in Lakhs	
	Computer software	Total
Gross Block		
At April 1, 2012	20.56	20.56
Purchase	0.31	0.31
At March 31, 2013	20.87	20.87
Purchase	0.20	0.20
At March 31, 2014	21.07	21.07
Amortization		
At April 1, 2012	13.43	13.43
Charge for the year	2.60	2.60
At March 31, 2013	16.03	16.03
Charge for the year	2.62	2.62
At March 31, 2014	18.65	18.65
Net Block		
At March 31, 2013	4.84	4.84
At March 31, 2014	2.42	2.42

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 12 - NON-CURRENT INVESTMENTS :		
Trade investments (valued at cost unless stated otherwise)		
Equity instruments:		
Biodil Marsing Private Limited. (unquoted)*	5.90	5.90
59,000 (March 31, 2013 - 59,000) Equity shares of ₹.10 each fully paid up		
Abbott India Limited (AIL) (quoted)	0.01	0.01
139 (March 31, 2013 - 139) Equity shares of ₹.10 each fully paid-up		
Non-trade investments (valued at cost unless stated otherwise)		
Government securities:		
National Highways Authority Of India	25.00	50.00
250 (March 31, 2013 - 500) bonds of ₹.10,000 each fully paid up		
Rural Electrification Corporation Limited	25.00	50.00
250 (March 31, 2013 - 500) bonds of ₹.10,000 each fully paid up		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 12 - NON-CURRENT INVESTMENTS : (contd.)		
Investment in equity instruments		
Investment in subsidiaries		
Aegean Properties Ltd.	30.00	30.00
30,000 (March 31, 2013-30,000) Equity shares of ₹.100 each		
Fermenta Biotech Ltd.	1,709.25	1,709.25
1,27,62,464 (March 31, 2013-1,27,62,464) Equity shares of ₹.10 each		
CC Square Films Limited	5.00	5.00
50,000 (March 31, 2013-50,000) Equity shares of ₹.10 each.		
Investment in associates		
Health and Wellness India Private Limited	475.00	475.00
30,12,504 (March 31, 2013 - 30,12,504) Equity shares of ₹.10 each fully paid-up		
Zela Wellness India Private Limited		
19,600 (March 31, 2013 - 19,600) Equity shares of ₹.10 each fully paid-up	50.00	50.00
Investment in joint ventures (Refer Note 27)*		
VasKo Glider s.r.o	188.51	188.51
Other Investment		
Allegro Capital Private Limited - Certificate of Investment	325.00	325.00
Subscription application money		
Health & Wellness India Pvt Ltd (Refer Note 30)	309.86	—
Zela Wellness India Private Limited (Refer Note 30)	75.00	—
Noble Explochem Ltd	538.75	307.85
	3,762.28	3,196.52
Less: Provision for diminution in value of investments (Refer Note 27)*	194.41	194.41
	3,567.87	3,002.11
Aggregate amount of quoted investments (Market value: ₹.2.44 Lakhs (March 31, 2013 - ₹.1.87 Lakhs))	0.01	0.01
Aggregate amount of unquoted investments	3,567.86	3,002.10
Aggregate provision for diminution in value of investments	194.41	194.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 13 - LOANS AND ADVANCES				
Capital advances				
Unsecured, considered good	529.35	563.55	—	—
Security deposits				
Unsecured, considered good	61.84	56.26	—	—
Loans to related parties (Refer Note 29) *				
Unsecured, considered good	—	228.00	232.50	332.50
Advances recoverable in cash or kind				
Unsecured considered good	7.69	6.77	238.96	341.86
Doubtful	19.01	19.01	—	—
	26.70	25.78	238.96	341.86
Provision for doubtful advances	19.01	19.01	—	—
	7.69	6.77	238.96	341.86
Other loans and advances (unsecured)				
Inter corporate deposit	—	—	50.00	50.00
Advance income-tax (net of provision for taxation)	—	—	114.35	65.93
MAT credit entitlement	—	—	14.82	—
Prepaid expenses	—	—	4.50	6.18
Loans to employees **	30.83	49.37	28.72	10.87
	30.83	49.37	212.39	132.98
	629.71	903.95	683.85	807.34
Loans to related parties include*				
Fermenta Biotech Ltd.	—	—	232.50	332.50
[Maximum amount outstanding during the year ₹.332.50 Lakhs (March 31, 2013 - ₹.357.50 Lakhs)]				
Health and Wellness India Private Limited (Refer Note 12)	—	228.00	—	—
[Maximum amount outstanding during the year ₹.288.00 Lakhs (March 31, 2013 - ₹.228.00 Lakhs)]				
Zela Wellness India Private Limited (Refer Note 12)	—	—	—	—
[Maximum amount outstanding during the year ₹.25.00 Lakhs (March 31, 2013 - ₹.40 Lakhs)]				
CC Square Films Limited	—	—	—	—
[Maximum amount outstanding during the year ₹.0.25 Lakhs (March 31, 2013 - ₹.Nil)]				
Loans and advances due by directors or other officers, etc. **				
Dues from officers	—	—	—	1.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS				
14.1. Trade receivables				
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered doubtful	—	—	5.97	6.47
	—	—	5.97	6.47
Less: Provision for doubtful debts	—	—	5.97	5.97
	—	—	—	0.50
Other receivables				
Considered good	—	—	37.56	56.41
	—	—	37.56	56.91

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
14.2. Other current assets				
Unsecured, considered good unless stated otherwise				
Interest accrued	2.80	24.29	85.46	170.34
[Interest accrued includes ₹.3.75 Lakhs (March 31, 2013- ₹.5.25 Lakhs) from Government Bonds]				
	2.80	24.29	85.46	170.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 15 - CURRENT INVESTMENTS		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted		
Kotak Quarterly Interval Plan Series 9 Nil (March 31, 2013 - 20,49,986.827) units of ₹.10 each	—	205.00
Union KBC Trigger Fund Series 1 - Regular plan 4,99,990 (March 31, 2013 - Nil) units of ₹.10 each	50.00	—
Union KBC Capital Protection Oriented Fund - Series 5 5,00,000 (March 31, 2013 - Nil) units of ₹.10 each	50.00	—
Union KBC Fixed Maturity Plan Series 7 20,00,000 (March 31, 2013 - Nil) units of ₹.10 each	200.00	—
	<u>300.00</u>	<u>205.00</u>
Aggregate amount of quoted investments (Market value ₹.Nil (March 31, 2013: ₹.Nil))	—	—
Aggregate amount of unquoted investments	300.00	205.00
Aggregate provision for diminution in value of investments	—	—

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 16. INVENTORIES (valued at lower of cost and net realizable value)		
Work-in-progress - Motion film production	45.06	45.06
	<u>45.06</u>	<u>45.06</u>

	Non current		Current	
	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 17. CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
With scheduled banks on:				
Current account	—	—	404.55	168.78
Unclaimed dividend account	—	—	28.97	24.78
With non-scheduled bank :				
Ceskoslovenska obchodni banka, a.s. Czech Republic- on Current account	—	—	9.18	7.88
Cash on hand	—	—	6.20	1.67
	<u>—</u>	<u>—</u>	<u>448.90</u>	<u>203.11</u>
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	—	—	3,089.94	3,088.86
Margin money deposit	—	—	36.71	—
	<u>—</u>	<u>—</u>	<u>3,126.65</u>	<u>3,088.86</u>
	<u>—</u>	<u>—</u>	<u>3,575.55</u>	<u>3,291.97</u>

Margin money deposits with a carrying amount of ₹. 36.71 Lakhs (March 31, 2013 ₹. Nil Lakhs) are subject to first charge to secure the letters of credit facilities availed by the company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 18 - REVENUE FROM OPERATIONS		
Rent (tax deducted at source ₹.125.63 Lakhs, March 31, 2013 - ₹.124.51 Lakhs)	1,253.36	1,268.78
Service income (Infrastructure support service to tenant)	16.64	28.16
Sale of script	-	1.85
Profit on sale/redemption of current investments - other than trade	0.04	12.22
Current - other than trade	3.08	36.46
Interest income on:		
Inter-corporate deposits	6.00	50.12
Bank deposits	196.48	365.40
Loans to subsidiary	33.68	26.81
Security deposits and others	4.65	3.78
Bonds	5.51	8.09
[<u>tax deducted at source ₹.9.18 Lakhs,</u> <u>(March 31, 2013 - ₹.41.33 Lakhs)]</u>	<u>246.32</u>	<u>454.20</u>
	<u>1,519.44</u>	<u>1,801.67</u>
NOTE 19.1 - OTHER INCOME:		
Profit on sale/disposal of fixed assets (net)	1.45	1.34
Miscellaneous Income	1.02	3.35
	<u>2.47</u>	<u>4.69</u>
NOTE 19.2 - INTEREST INCOME:		
Interest on income-tax refunds	4.73	-
	<u>4.73</u>	<u>-</u>
NOTE 20 - EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus	392.33	308.12
Contribution to provident and other fund	25.16	21.07
Gratuity expense (Refer note 25)	0.22	2.66
Employee welfare expenses	18.12	15.37
	<u>435.83</u>	<u>347.22</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 21 - OTHER EXPENSES:		
Power and fuel	40.68	31.61
Water	3.88	7.69
Rates and taxes	22.91	5.93
Rent	43.85	42.18
Insurance	12.40	9.66
Repairs and maintenance:		
Plant and machinery	22.55	27.81
Buildings	33.87	28.15
Others	87.00	133.07
Advertising and sales promotion expenses	23.38	7.24
Travelling and conveyance	42.12	25.43
Legal and professional charges	196.10	114.14
Payment to auditors (Refer note below)	14.43	15.22
Exchange loss (net)	0.50	0.71
Communication costs	11.99	11.63
Donation	2.20	2.60
Directors' sitting fees	6.50	6.30
Printing and stationery	5.93	5.80
Staff recruitment expenses	0.05	0.65
Loss on deletion of fixed assets	0.06	3.52
Miscellaneous expenses	84.40	69.07
	** 654.80	** 548.41

** net of recovery of ₹.34.04 Lakhs (March 31, 2013 - ₹.43.56 Lakhs) from subsidiary companies.

Payment to auditors'

As auditor		
Audit fee	6.00	6.00
Tax audit fee	1.45 *	1.40 *
Limited review	6.00	6.00
In other capacity in respect of:		
Other services (certification fees)	0.25	1.25
Reimbursement of expenses	0.73 *	0.57 *
	14.43	15.22

* includes amount payable to another auditor

NOTE 22 - DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation of tangible assets	221.95	222.44
Amortization of intangible assets	2.62	2.60
	224.57	225.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 23 - FINANCE COST:		
Interest on term loans	4.90	6.92
Interest on others	—	14.49
	<u>4.90</u>	<u>21.41</u>

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 24 - EARNINGS PER SHARE (EPS):		
Profit after tax	142.16	534.02
	No. in Lakhs	No. in Lakhs
Weighted average number of equity shares in calculating basic EPS	22.93	22.93
Earnings per share (₹.Per share):	6.20	23.29

NOTE 25 - EMPLOYEE BENEFITS:

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

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
a) Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 20 for the year are as under:		
- Provident fund	25.16	21.07

b) Defined Benefit Plan

Gratuity - As per actuarial valuation

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
	Gratuity (Funded)	
i) Changes in the present value of the defined benefit obligation		
Opening	36.50	28.56
Interest cost	2.92	2.36
Current service cost	4.32	2.96
Benefits paid	(0.12)	—
Actuarial (gains) / losses on obligation	(4.31)	2.62
Closing	<u>39.31</u>	<u>36.50</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
	Gratuity (Funded)	
NOTE 25 - EMPLOYEE BENEFITS: (contd.)		
ii) Changes in fair value of plan assets		
Opening	43.52	39.87
Expected return on plan assets	3.54	3.30
Actuarial (gains) / losses on obligation	(0.59)	0.35
Employer's contribution	1.14	—
Benefits paid	0.12	—
Closing	47.49	43.52
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	39.31	36.50
Fair value of plan assets	47.49	43.52
Amount not recognised as assets	(0.49)	(0.25)
Net Asset (liability) recognised in balance sheet	7.69	6.77
iv) Amounts recognised in profit and loss account		
Current service cost	4.32	2.96
Interest cost	2.92	2.36
Expected return on plan assets	(3.54)	(3.30)
Net actuarial (gain) /loss recognised	(3.72)	2.27
Amount not recognised as Assets	0.24	(1.63)
Total expense	0.22	2.66
v) Actual return on plan assets	2.95	3.65
vi) Principal assumptions used in actuarial valuation		
Discount rate	9.35%	8.10%
Expected return on plan assets	9.15%	9.15%
Salary escalation rate	10%	10%
Employee turnover	21 to 30 - 10%	21 to 30 - 7%
	31 to 40 - 5%	31 to 40 - 4%
	41 to 50 - 3%	41 & Above - 0.33%
	51 & Above - 2%	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 25 - EMPLOYEE BENEFITS: (contd.)

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

		100%		100%	
Investments with insurer					
		Gratuity (Funded)			
	March 31,	March 31,	March 31,	March 31,	March 31,
	2014	2013	2012	2011	2010
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs

- viii) Amounts for the current and previous four periods

Defined benefit obligation	39.31	36.50	28.56	38.18	53.14
Plan assets	47.49	43.52	39.87	36.76	53.92
Surplus/(deficit)	8.18	7.02	11.31	(1.42)	0.78
Experience adjustments on plan liabilities	(0.66)	1.38	(12.55)	5.52	8.84
Experience adjustments on plan assets	(0.59)	0.35	(1.79)	0.26	0.68

- ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.
b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
c) The estimates of rate escalation in salary considered in the actuarial valuation take in to account inflation, seniority promotion and other relevant factors including supply demand in the employment market.
d) The Company is expected to contribute to the Gratuity fund during 2014-15 ₹.Nil (March 31, 2013 ₹.Nil during 2013-14)

March 31, 2014	March 31, 2013
₹. in Lakhs	₹. in Lakhs

NOTE 26 - LEASES:

Assets taken on operating lease

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

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

42.38	40.78
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Assets given on operating lease

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 26 - LEASES: (contd.)		
The Company has also entered into operating lease agreement for its properties in Thane with original lease periods expiring between 2010 and 2016. These agreements are cancellable/non-cancellable and have rent escalation provisions of 5% every year.		
1. Rent income recognised in the statement of profit and loss for the year.	1,253.36	1,268.78
(includes rentals on sub-lease of ₹.406.90 lakhs (March 31, 2013 ₹.381.85 lakhs) which will expire with no renewable terms on September 30, 2018)		
2 Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	777.10	337.75
ii) Later than one year and not later than five years	716.40	757.32
iii) More than five years	—	—

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

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

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Percentage of holding	50%	50%
Assets	22.74	20.64
Liabilities	0.98	0.86
Income	—	—
Expenditure	0.05	7.31
Capital Commitment	—	—
Contingent liabilities	—	—

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 28 - SEGMENT INFORMATION

A) Primary Segments - Business Segments

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

Property - Renting of properties

Treasury - Investment in shares, securities and mutual funds

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

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

₹. in Lakhs

	2013-2014			
	2012-2013			
	Property	Treasury	Entertainment	Total
a. Revenue				
1. Segment revenue - External sales / income from operations	1,275.61 1,303.02	244.79 499.09	— 1.85	1,520.40 1,803.96
Unallocated revenue				1.51 2.40
2. Total				1,521.91 1,806.36
b. Result				
1. Segment result / operating profit / (loss)	756.19 878.83	242.46 499.09	(81.30) (83.08)	917.35 1,294.84
2 Finance Cost				4.90 21.41
3 Unallocable income/(expenditure) (net)				(705.91) (609.15)
4 Profit before tax				206.54 664.28
5 Provision for tax				
- current tax				64.31 127.32
- deferred tax				0.07 2.94
6 Profit after tax				142.16 534.02
c. Other information				
1. Segment assets	5,012.68 2,791.81	7,365.29 7,101.09	218.82 362.06	12,596.79 10,254.96
2 Unallocated corporate assets				512.66 492.48
3. Total assets				13,109.45 10,747.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 28 - SEGMENT INFORMATION (contd.):

	₹. in Lakhs			
	2013-2014			
	2012-2013			
	Property	Treasury	Entertainment	Total
4. Segment liabilities	788.99	–	226.29	1,015.28
	<i>680.05</i>	<i>0.08</i>	<i>226.92</i>	<i>907.05</i>
5. Unallocated corporate liabilities				2,782.28
				<i>402.37</i>
6. Total liabilities				3,797.56
				<i>1,309.42</i>
7. Cost incurred during the year to acquire				
-segment tangible assets	2,139.62		0.86	2,140.48
	<i>766.51</i>		<i>0.93</i>	<i>767.44</i>
-unallocated segment tangible assets				25.26
				<i>10.23</i>
8. Depreciation and amortization expense	187.42		4.80	192.22
	<i>181.03</i>		<i>5.10</i>	<i>186.13</i>
9. Unallocated depreciation				32.35
				<i>38.91</i>

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

B) Secondary Segments

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 29 - RELATED PARTY DISCLOSURES

a. Parties where control exists

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

Holding company

DVK Investments Private Ltd

Subsidiaries

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

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

Fellow Subsidiary

V M Café De Art Private Ltd.

I) Key Management Personnel

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

II) Relative of Key Management Personnel

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

c. Joint Venture

VasKo Glider s.r.o. *

d. Associates

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

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

Magnolia FNB Private Limited

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

g. Transactions with related parties.

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

(₹. in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture*	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
1 Loans and advances given						
- Fermenta Biotech Ltd.		-	(200.00)			
- Health and Wellness India Private Ltd.						60.00 (128.00)
- Zela Wellness India Private Limited						25.00 (40.00)
2 Loans recovered						
- Fermenta Biotech Ltd.		100.00 (25.00)				
- Zela Wellness India Private Limited						- (40.00)
3 Interest on loan						
- Fermenta Biotech Ltd.		33.68 (26.81)				
- Health and Wellness India Private Ltd.						- (24.09)
4 Remuneration						
- Mr. Krishna Datla				47.23 (41.72)		
- Mr. Keshav H Kashid				60.27 (48.02)		
- Mr. Srikant N Sharma				29.09 (23.04)		
5 Directors sitting fees						
- Ms. Rajeshwari Datla				1.20 (1.20)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture*	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
6 Rent income						
- Aegean Properties Ltd.		1.35 (1.29)				
- DVK Investments Private Ltd.	1.35 (1.29)					
- Fermenta Biotech Ltd.		76.70 (112.71)				
- CC Square Films Limited		1.20 (1.20)				
- Magnolia FNB Private Limited					1.20 (1.20)	
7 Rent paid						
- Aegean Properties Ltd.		18.00 (18.00)				
8 Other reimbursements paid						
- Fermenta Biotech Ltd.		1.93 (4.52)				
- Aegean Properties Ltd.		15.63 (13.30)				
9 Other reimbursements received						
- Fermenta Biotech Ltd.		33.73 (43.56)				
- CC Square Films Ltd		0.31 (-)				
10. Investment in equity share capital (Refer Note 12)						
- Health and Wellness India Private Ltd.						309.86 (-)
- Zela Wellness India Private Limited						75.00 (50.00)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary/ Joint venture*	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate
11 Balance outstanding as at the year end						
i. Other current liabilities						
- Fermenta Biotech Ltd.		0.40				
		(0.42)				
ii. Other receivables						
- Fermenta Biotech Ltd.		14.71				
		(41.57)				
- G.I.Biotech Private Ltd.		1.25				
		(1.25)				
iii. Provision for doubtful debts						
- G.I.Biotech Private Ltd.		1.25				
		(1.25)				
iv. Provision for diminution in value of investments*			188.51 *			
			(188.51) *			
v. Loans						
- Health and Wellness India Private Ltd.						-
						(228.00)
- Fermenta Biotech Ltd.		232.50				
		(332.50)				
vi. Interest accrued						
- Fermenta Biotech Ltd.		6.35				
		(17.29)				
- Health and Wellness India Private Ltd.						-
						(24.29)
vii. Other current liabilities						
- Mr Keshav H Kashid				13.97		
				(-)		
- Mr Srikant N Sharma				6.64		
				(-)		

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 29 - RELATED PARTY DISCLOSURES (contd.):

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

Name	Balance as at		Maximum amount outstanding during the year ended	
	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
1. Loans to subsidiaries / associate				
- Fermenta Biotech Ltd.	232.50	332.50	332.50	357.50
- Health and Wellness India Private Ltd.	-	228.00	309.86	228.00
- Zela Wellness India Private Limited	-	-	25.00	40.00
2. Loans and where there is no repayment schedule and is interest-free (included above)				
- Zela Wellness India Private Limited	-	-	25.00	40.00
3. Loans to firms/companies in which directors are interested				
Loans given during the year				
- Fermenta Biotech Ltd.	-	-	-	200.00
- Health and Wellness India Private Ltd.	-	-	60.00	128.00
- Zela Wellness India Private Limited	-	-	25.00	40.00
Loans outstanding at the year end				
- Fermenta Biotech Ltd.	232.50	332.50	332.50	357.50
- Health and Wellness India Private Ltd.	-	228.00	-	228.00

NOTE 30 During the current year, Company has entered into an agreement with other investors to invest additional amount in the operations of Health & Wellness India Private Limited (H&W) & Zela Wellness India Private Limited (Zela) (associate companies) and also agreed to merge the operations of these two associates into one single entity. Pursuant to this agreement the outstanding Loans and advances, of ₹. 309.86 Lakhs with H&W & ₹.25 Lakhs with Zela given by the Company has been converted into share application money. Post the completion of merger operations and shareholding alignment, the company will own 50.94% stake in the combined operations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 31 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Estimated amount of contracts remaining to be executed on capital account.	3,877.82	3,871.14

NOTE 32 - CONTINGENT LIABILITIES:

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Claims against the company not acknowledged as debts Service tax department raised demand of ₹. 22.50 Lakhs consisting of Service Tax of ₹. 7.50 Lakhs and penalty of ₹. 15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai has upheld the order of Joint Commissioner of Service Tax. Company has preferred an appeal to CESTAT pending final disposal.	22.50	15.00
The Deputy Commissioner of sales tax has confirmed the order of the Asst. Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Asstt. Commissioner pending final disposal.	4.63	4.63
	27.13	19.63

NOTE 33 - UN-HEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	March 31, 2014		March 31, 2013	
	Foreign Currency in Lakhs	₹. in Lakhs	Foreign Currency in Lakhs	₹. in Lakhs
a) Cash and bank balance	Kc 3.06	9.18	Kc 2.89	7.88
	—	—	—	—
b) Sundry Creditors	—	—	EURO 3,414.19	2.39
	—	—	—	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Advertising	2.51	—
Travelling	1.64	—
Legal fees	3.77	8.01
Remittances to branch office	48.84	48.85
Others	0.31	—
	<u>57.08</u>	<u>56.86</u>

NOTE 35 - Previous year's figures have been regrouped wherever necessary

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
-------------------------	------------------------------------	------------------------------

SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
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K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary
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Thane
Date: May 30, 2014

Independent Auditor's Report

To

The Board of Directors of DIL Limited

We have audited the accompanying consolidated financial statements of DIL Limited ("the Company") and its subsidiaries (collectively referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of ₹. 248.35 lakhs as at March 31, 2014, total revenues of ₹. 8 lakhs and net cash inflows amounting to ₹. 16.92 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries and total losses of ₹. 87.91 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of two associates, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

We did not audit Group's share of total assets of ₹. 22.74 lakhs as at March 31, 2014, total revenues of ₹. Nil and net cash outflows amounting to ₹. Nil for the year then ended, included in the accompanying consolidated financial statements in respect of a joint venture, whose financial statements and other financial information have not been audited by other auditor and have been consolidated in the consolidated financial statements based solely on the unaudited separate financial statements certified by the management. Our opinion is not qualified in respect of this matter.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration Number 101049W

per Vikram Mehta

Partner

Membership No.: 105938

Place : Mumbai

Date : May 30, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Notes	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	229.32	229.32
Reserves and surplus	4	13,040.16	12,518.56
		13,269.48	12,747.88
Minority interest		2,229.81	2,004.31
Non-current liabilities			
Long-term borrowings	5	2,484.03	1,526.62
Deferred tax liability (net)	6	224.23	184.40
Other long-term liabilities	7	408.98	77.27
Long-term provisions	8	186.22	182.00
		3,303.46	1,970.29
Current liabilities			
Short-term borrowings	9	2,458.79	2,154.07
Trade payables	10	1,884.48	1,493.14
Other current liabilities	10	2,425.35	1,963.89
Short-term provisions	8	291.75	235.66
		7,060.37	5,846.76
TOTAL		25,863.12	22,569.24
ASSETS			
Non-current assets			
Goodwill		534.33	534.33
Less: Impairment		(121.00)	(121.00)
Goodwill (net of impairment)		413.33	413.33
Fixed assets			
Tangible assets	11	8,133.78	8,898.01
Intangible assets	12	172.41	102.83
Capital work-in-progress		3,491.12	1,299.40
Intangible assets under development		147.21	236.88
		11,944.52	10,537.12
Non-current investments	13	1,406.62	928.77
Long-term loans and advances	14	734.71	997.60
Other non-current assets	15.2	8.71	26.79
		2,150.04	1,953.16
Current assets			
Current investments	16	300.00	205.00
Inventories	17	2,345.24	2,513.07
Trade receivables	15.1	4,053.81	2,528.65
Cash and bank balances	18	3,699.15	3,452.19
Short-term loans and advances	14	852.46	753.88
Other current assets	15.2	104.57	212.84
		11,355.23	9,665.63
TOTAL		25,863.12	22,569.24
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta
Partner

Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

SATISH VARMA
Director

K. H. KASHID
Chief Financial Officer

Thane
Date: May 30, 2014

KRISHNA DATLA
Managing Director

SANJAY BUCH
Director

SRIKANT N. SHARMA
Company Secretary

RAJESHWARI DATLA
Director

VINAYAK HAJARE
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Notes	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
INCOME			
Revenue from operations	19.1	12,824.35	10,249.82
Less: Excise duty		331.43	259.94
		12,492.92	9,989.88
Other operating income	19.2	1,420.18	1,677.91
Other income	20.1	224.37	166.71
Total revenue (I)		14,137.47	11,834.50
EXPENSES			
Cost of raw material and components consumed	21	5,673.14	4,226.70
Purchase of traded goods		77.35	121.50
(Increase) in Inventories	22	(22.39)	(276.21)
Employee benefits expense	23	2,061.46	2,072.20
Other expenses	24	3,500.50	3,243.85
Total (II)		11,290.06	9,388.04
Earnings before interest, tax, depreciation and amortization expense (EBITDA) (I) – (II)		2,847.41	2,446.46
Depreciation and amortization expense	25	984.10	939.56
Interest income	20.2	(4.73)	(5.04)
Finance costs	26	530.54	501.79
Profit before prior period amortization adjustment and tax		1,337.50	1,010.15
Prior period amortization adjustment		(102.83)	–
Profit before tax		1,440.33	1,010.15
Tax expense:			
Current tax		309.85	207.35
Less: MAT credit entitlement		(0.50)	–
Provision for tax in respect of earlier years written (off)/ back		(10.13)	–
Deferred tax (credit)/charge		39.83	159.80
Total tax expense		339.05	367.15
Profit after tax		1,101.28	643.00
Share of minority interest in (profit) / loss		(225.50)	(30.01)
Share of interest in profit/(loss) of associates (Refer Note 13)		(87.91)	(197.08)
Profit for the year		787.87	415.91
Earnings per equity share [nominal value of share ₹.10/-]	27		
Basic / Diluted (₹.in Lakhs)		34.36	18.14
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

SATISH VARMA
Director

K. H. KASHID
Chief Financial Officer

Thane
Date: May 30, 2014

KRISHNA DATLA
Managing Director

SANJAY BUCH
Director

SRIKANT N. SHARMA
Company Secretary

RAJESHWARI DATLA
Director

VINAYAK HAJARE
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1440.33	1,010.15
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation	984.10	939.56
Loss on sale of fixed assets (net)	7.40	3.78
Loss on deletion of assets	0.05	3.52
Prior Period amortization adjustment	(102.83)	—
Unrealised foreign exchange (gain)/loss (net)	13.53	(3.36)
Interest expenses	530.54	501.79
Operating profit before working capital changes	2,873.12	2,455.44
Movements in working capital :		
Increase/(decrease) in trade payables	344.91	(480.24)
Increase/(decrease) in long-term provisions	4.22	7.23
Increase/(decrease) in short-term provisions	7.15	(16.55)
Increase/(decrease) in other current liabilities	17.63	678.57
Decrease/(increase) in trade receivables	(1,490.79)	(176.41)
Decrease/(increase) in inventories	167.83	(360.53)
Decrease/(increase) in long-term loans and advances	6.72	(238.85)
Decrease/(increase) in short-term loans and advances	3.53	366.73
(Increase)/decrease in other current assets	108.27	26.59
(Increase)/decrease in other non-current assets	(3.78)	(18.36)
(Increase)/decrease in current investments	(95.00)	600.37
(Increase)/decrease in non-current investments	(315.90)	(157.36)
Cash generation from operations	1,627.91	2,686.63
Direct taxes paid (net of refunds)	(218.24)	(349.98)
Net cash flow from/ (used in) operating activities	(A) 1,409.67	2,336.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(2,468.88)	(3,147.82)
Proceeds from sale of fixed assets	10.29	10.13
Investments in bank deposits (having original maturity of more than three months)	(3,126.65)	(3,088.86)
Redemption/maturity of bank deposits (having original maturity of more than three months)	3,088.86	4,217.86
Net cash flow from/ (used in) investing activities	(B) (2,496.38)	(2,008.69)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

CASH FLOW STATEMENT (Contd.)

PARTICULARS	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	2,541.50	301.99
Repayment of long-term borrowings	(622.10)	(589.21)
Proceeds from short-term borrowings	304.72	894.80
Interest paid	(530.54)	(569.79)
Dividend paid on equity shares	(339.79)	(681.95)
Tax on equity dividend paid	(58.46)	(111.60)
Net cash flow from/ (used in) in financing activities	(C) 1,295.33	(755.76)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 208.62	(427.80)
Add: Effect of exchange difference on cash and equivalents held in foreign currency	0.55	(0.26)
Cash and cash equivalents at the beginning of the year	363.33	791.39
Cash and cash equivalents at the end of the year	572.50	363.33
Components of cash and cash equivalents		
Cash on hand	8.55	4.44
With scheduled banks on:		
Current account	478.42	285.76
Deposits with original maturity of less than three months	0.03	0.03
Unclaimed dividend account*	28.97	24.78
With non-scheduled bank:		
Ceskoslovenska obchodni banka, a.s. Czech Republic- on current account	56.53	48.32
Total cash and cash equivalents (note 18)	572.50	363.33
* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities		
Summary of significant accounting policies (Refer Note 2.1)		

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI
Chairman

KRISHNA DATLA
Managing Director

RAJESHWARI DATLA
Director

SATISH VARMA
Director

SANJAY BUCH
Director

VINAYAK HAJARE
Director

K. H. KASHID
Chief Financial Officer

SRIKANT N. SHARMA
Company Secretary

Thane
Date: May 30, 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. a) Corporate information

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

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

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

	31-Mar-14	31-Mar-13
	₹. in Lakhs	₹. in Lakhs
i) Percentage of holding	50%	50%
ii) Assets	22.74	20.64
iii) Liabilities	0.98	0.86
iv) Income	—	—
v) Expenditure	0.05	7.31
vi) Capital commitment	—	—
vii) Contingent liabilities	—	—

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

The financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

d) Basis of consolidation

These consolidated financial statements include the financial statements of DIL Limited, its subsidiaries and proportionate share in joint venture as at March 31, 2014.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

Name of the subsidiaries	Country of Incorporation	2013-14 % shareholding	2012-13 % shareholding
Fermenta Biotech Limited *	India	72.09%	72.09%
Fermenta Biotech (UK) Limited (100% subsidiary of FBL)	United Kingdom	72.09%	72.09%
G.I. Biotech Private Limited (62.50% Subsidiary of FBL)	India	45.06%	45.06%
Aegean Properties Limited	India	100.00%	100.00%
CC Square Films Limited	India	100.00%	100.00%
Name of the associates			
Health and Wellness India Private Ltd	India	47.15%	47.15%
Zela Wellness Private Limited	India	49.00%	49.00%
Name of the joint venture			
Vasko Glider s.r.o.	Czech Republic	50.00%	50.00%

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

2.1 Summary of significant accounting policies

a) Presentation and disclosure of financial statements

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

(b) Use of estimates

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

(c) Tangible fixed assets

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

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

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used rates based on the following estimated useful life of the fixed assets

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Estimated useful life (in years)
Building	
On freehold land	3.25 - 58
Leased improvements	9-30
Plant & Machinery	5-21
Computers	5-6
Furniture & Fixtures	5-6
Vehicles	8-11

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

(e) Intangible Assets

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

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

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

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

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

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

(f) Impairment of tangible and intangible asset

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

(g) Investments

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

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

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

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

(h) Inventories

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

Cost is determined as follows:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

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

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

(i) Retirement and other employee benefit

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

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

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

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

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

(j) Revenue recognition

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

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

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

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

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

(k) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange difference

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

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

(l) Leases

As Lessee

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

As Lessor

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

(m) Income taxes

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

(n) Provisions

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

(o) Contingent liabilities

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

(p) Earnings per share

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

(q) Cash and cash equivalents

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

(r) Segment Reporting

Identification of segments :

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

Allocation of common costs :

Common costs are treated as unallocable costs.

Unallocated items :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Segment Policies :

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

(s) Excise Duty

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

(t) Borrowing costs

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

(u) Measurement of EBITDA

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 3 - SHARE CAPITAL:		
Authorised Shares:		
49,20,000 (March 31, 2014 - 49,20,000) Equity shares of ₹.10/- each	492.00	492.00
80,000 (March 31, 2013 - 80,000) Unclassified shares of ₹.10/- each	8.00	8.00
	<u>500.00</u>	<u>500.00</u>
Issued, subscribed and fully paid up shares:		
22,93,198 (March 31, 2013 - 22,93,198) Equity shares of ₹.10/- each.	229.32	229.32
	<u>229.32</u>	<u>229.32</u>

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

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

b) Terms/rights attached to equity shares

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

During the year ended March 31, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹.10/- (March 31, 2013: ₹.22.50/-)

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

c) Shares held by holding company

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
DVK Investments Private Limited		
12,36,235 (March 31, 2013-12,36,235) equity shares of ₹.10/- each fully paid	123.62	123.62

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

Name of the shareholder Equity shares of ₹.10/- each fully paid,	March 31, 2014		March 31, 2013	
	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
DVK Investments Private Limited, holding company	12.36	53.91%	12.36	53.91%
Mr. Krishna Datla	2.6	9.86%	2.13	9.29%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 4 - RESERVES AND SURPLUS:		
Capital Reserve:		
Balance as per the last financial statements	1,140.00	1,140.00
Capital redemption reserve :		
Balance as per the last financial statements	70.00	70.00
Unrealised gain on dilution		
Balance as per the last financial statements	950.41	950.41
General Reserve:		
Balance as per the last financial statements	4,721.70	4,667.70
Add: Amount transferred from surplus balance in the statement of profit and loss	15.00	54.00
Closing Balance	4,736.70	4,721.70
Foreign currency translation reserve		
Balance as per the last financial statements	48.86	49.49
Add: Change during the year	2.02	(0.63)
	* 50.88	48.86
Surplus in the statement of profit and loss		
Balance as per last financial statements	5,587.59	5,826.68
Profit for the year	787.87	415.91
Less: Appropriations		
Interim equity dividend (amount per share ₹.7.50/- (March 31, 2013: ₹.15/-))	(171.99)	(343.98)
Tax on Interim equity dividend	(29.23)	(55.80)
Proposed final equity dividend (amount per share ₹.2.50/- (March 31, 2013: ₹.7.50/-))	(57.33)	(171.99)
Tax on proposed equity dividend	(9.74)	(29.23)
Transfer to general reserve	(15.00)	(54.00)
Total appropriations	(283.29)	(655.00)
Net surplus in the statement of profit and loss	** 6,092.17	5,587.59
Total Reserves and surplus	*** 13,040.16	12,518.56

* includes share in joint venture ₹.50.88 Lakhs (March 31, 2013 - ₹.48.86 Lakhs)

** includes share of loss in joint venture ₹.96.08 Lakhs (March 31, 2013 - ₹.96.04 Lakhs)

*** includes share loss in joint venture ₹.45.20 Lakhs (March 31, 2013 - ₹.47.18 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 5 - LONG-TERM BORROWINGS:				
From Bank (secured) for Kullu facility	–	57.06	37.27	69.20
From Bank (secured) for Dahej facility	836.23	1,233.33	400.00	407.85
Vehicle loan from Banks (secured) (secured against hypothecation of vehicles)	19.75	56.97	38.36	48.44
Vehicle loan financial institutions (secured) (secured against hypothecation of vehicles)	0.53	3.43	2.90	2.52
Equipment Finance Loan from financial institute (Secured)	118.29	175.83	89.81	78.34
From Bank (secured) for Thane One	1,509.23	–	1,000.00	–
Amount disclosed under the head "other current liabilities" (Refer Note 10)	–	–	(1,568.34)	(606.35)
Net amount	2,484.03	1,526.62	–	–

Vehicle loans from banks were taken during the financial year 2008–09 to 2011–12 and carries interest ranging between at 8.20% to 12.76% p.a. The loan is repayable in 36 / 60 monthly installments including interest. The loan is secured by hypothecation of vehicles.

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

Term loans for expansion of Kullu facility are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 15% to 16% repayable in 48 equal monthly instalments. The said term loans are secured by way of first charge on fixed assets procured with financial assistance of the term loan and by equitable mortgage of factory land and building at Kullu.

Term loans for setting up a new facility at Dahej SEZ is taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 15% to 16% repayable in 60 equal monthly instalments. The said term loans is secured by way of first charge on fixed assets procured with financial assistance of the said term loan and by equitable mortgage of factory land and building at Dahej.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 6 - DEFERRED TAX LIABILITY (NET):		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	440.72	392.81
Items allowed under Income tax computed on payment/realisation basis	0.45	0.45
Rental income (Straight-lining under AS-19)	5.13	4.33
Gross deferred tax liability	446.30	397.59
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	67.46	65.37
Provision for doubtful debts and advances	154.61	147.82
Gross deferred tax asset	222.07	213.19
Net deferred tax liability	(224.23)	(184.40)

	Non current		Current	
	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 7 - OTHER LONG-TERM LIABILITIES:				
Deposits from tenants	408.98	77.27	76.77	493.27
Amount disclosed under "other current liabilities" (Refer Note 10)	-	-	(76.77)	(493.27)
	408.98	77.27	-	-

	Long Term		Short Term	
	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 8 - PROVISIONS:				
Provision for employee benefits				
Gratuity	9.49	11.58	-	-
Long term compensated absences	176.73	170.42	41.59	34.44
	186.22	182.00	41.59	34.44
Other provisions				
Proposed dividend	-	-	57.33	171.99
Provision for tax on proposed equity dividend	-	-	9.74	29.23
Taxation, net of advance taxes (other than deferred tax)	-	-	183.09	-
	-	-	250.16	201.22
	186.22	182.00	291.75	235.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 9 - SHORT TERM BORROWINGS:		
Cash credit (Secured) from Union Bank of India	1,263.79	967.07
Packing Credit (Secured) from Union Bank of India	1,195.00	1,187.00
	2,458.79	2,154.07
The above amount includes		
Secured borrowings	2,458.79	2,154.07
Packing credit, post shipment credit and cash credit are from Union Bank of India and are secured against hypothecation of Company's entire stocks of raw materials, semi-finished, and finished goods, consumable stores and spares and such other moveable including book-debts, bills, whether documentary or clean, outstanding monies, receivables, and also by way of first charge on all of the Company's fixed assets both present and future. The packing credit and cash credit are repayable on demand and carry interest @ 11% and 14.5% (BR+3%) p.a. respectively.		

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 10 - CURRENT LIABILITIES:		
Trade payables	* 1,884.48	1,493.14
(Details of dues to micro and small enterprises (Refer Note 37))		
Other current liabilities:		
Current maturities of long-term borrowings (Refer Note 5)	1,568.34	606.35
Current maturities of deposits from tenants (Refer Note 7)	76.77	493.27
Advance from customers	37.49	—
Unclaimed dividends	28.97	24.78
Others		
Statutory dues	103.75	67.02
Liability for capital expenditure	319.95	510.60
Others	290.08	261.87
	2,425.35	1,963.89
	* 4,309.83	3,457.03

(* includes share in joint venture ₹.0.98 Lakh (March 31, 2013 - ₹.0.86 Lakh)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 11 - TANGIBLE ASSETS:

(₹ in Lakhs)

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicle	Leasehold improvements	Total
At April 1, 2012	56.83	308.93	2,953.66	5,030.57	420.02	448.01	295.73	9,513.75
Additions	–	–	716.23	2,208.32	63.72	20.43	–	3,008.70
Disposal	–	–	–	(44.02)	(0.02)	(18.37)	–	(62.41)
At March 31, 2013	56.83	308.93	3,669.89	7,194.87	483.72	450.07	295.73	12,460.04
Additions	–	–	11.97	58.35	1.25	21.85	–	93.42
Disposal	–	–	–	(20.65)	–	(32.25)	–	(52.90)
At March 31, 2014	56.83	308.93	3,681.86	7,232.57	484.97	439.67	295.73	12,500.56
Depreciation								
At April 1, 2012	–	20.60	541.60	1,769.68	304.27	120.86	64.20	2,821.21
Charge for the year	–	10.33	231.25	432.99	44.92	46.65	9.69	775.83
Disposal	–	–	–	(35.05)	(0.02)	(9.91)	–	(44.98)
At March 31, 2013	–	30.93	772.85	2,167.62	349.17	157.60	73.89	3,552.06
Charge for the year	–	10.83	256.71	475.34	40.66	46.68	9.69	839.91
Disposal	–	–	–	(14.28)	–	(20.88)	–	(35.16)
At March 31, 2014	–	41.76	1,029.56	2,628.68	389.83	183.40	83.58	4,356.81
Impairment loss								
At April 1, 2012	–	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–	–
At March 31, 2013	–	–	–	9.97	–	–	–	9.97
Charge for the year	–	–	–	–	–	–	–	–
At March 31, 2014	–	–	–	9.97	–	–	–	9.97
Net Block								
At March 31, 2013	56.83	278.00	2,897.04	5,017.28	134.55	292.47	221.84	8,898.01
At March 31, 2014	56.83	267.17	2,652.30	4,593.92	95.14	256.27	212.15	8,133.78

Note:

- Land includes ₹.8.06 Lakhs being cost of land held in trust by Directors of the Company
- Major portion of the building at Thane has been given on lease
- Plant and equipment includes:
 - Assets held for disposal:
 - Gross block ₹.26.53 Lakhs (March 31, 2013 - ₹.26.53 Lakhs)
 - Net block ₹.Nil (March 31, 2013 - ₹.Nil)
- Share in joint venture assets
 - Gross Value ₹.4.21 Lakhs (March 31, 2013 - ₹.4.21 Lakhs)
 - Accumulated depreciation ₹.4.21 Lakhs (March 31, 2013: ₹.4.21 Lakhs)
 - Net block ₹.Nil (March 31, 2013 - ₹.Nil)
 - Depreciation ₹.Nil (March 31, 2013) - ₹.Nil
- Vehicles includes hypothecated to banks:
 - Gross block ₹.248.24 Lakhs (March 31, 2013 - ₹.273.29 Lakhs)
 - Depreciation charge for the year ₹.26.98 Lakhs (March 31, 2013: ₹.29.24 Lakhs)
 - Accumulated depreciation ₹.94.81 Lakhs (March 31, 2013: ₹.74.16 Lakhs)
 - Net block ₹.153.44 Lakhs (March 31, 2013 - ₹.199.13 Lakhs)
- Leasehold improvements includes cost of construction of office premises for which the tenancy rights are with the Company and given on lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 12 - INTANGIBLE ASSETS:

(₹ in Lakhs)

	Computer software	Product Know-how	Total
Gross Block			
At April 1, 2012	92.06	293.38	385.44
Purchase	21.42	40.98	62.40
At March 31, 2013	113.48	334.36	447.84
Purchase	6.54	104.40	110.94
At March 31, 2014	120.02	438.76	558.78
Amortization			
At April 1, 2012	32.17	149.11	181.28
Charge for the year	18.45	145.28	163.73
At March 31, 2013	50.62	294.39	345.01
Charge for the year	21.31	122.88	144.19
Prior period amortization adjustment	–	(102.83)	(102.83)
At March 31, 2014	71.93	314.44	386.37
Net Block			
At March 31, 2013	62.86	39.97	102.83
At March 31, 2014	48.09	124.32	172.41

March 31, 2014
₹. in Lakhs

March 31, 2013
₹. in Lakhs

NOTE 13 - NON-CURRENT INVESTMENTS:

Trade investments (valued at cost unless stated otherwise)

Equity instruments:

Biodil Marsing Private Limited. (unquoted)*	5.90	5.90
59,000 (March 31, 2013 - 59,000) Equity shares of ₹.10 each fully paid up		
Abbott India Limited (AIL). (quoted)	0.01	0.01
139 (March 31, 2013 - 139) Equity shares of ₹.10 each fully paid-up		
Shivalik Solid Waste Management Limited (unquoted)	2.00	2.00
20,000 (March 31, 2013 - 20,000) Equity shares of ₹.10/- each		

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

Government securities:

National Highways Authority of India	25.00	50.00
250 (March 31, 2013 - 500) bonds of ₹.10,000 each fully paid up		
Rural Electrification Corporation Limited	25.00	50.00
250 (March 31, 2013 - 500) bonds of ₹.10,000 each fully paid up		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 13 - NON-CURRENT INVESTMENTS: (contd.)		
Investment in equity instruments		
Investment in associates		
Health and Wellness India Private Limited (HWIPL) (Refer Note (below) 30,12,504 (March 31, 2013 - 30,12,504) Equity shares of ₹.10 each fully paid-up (includes goodwill of ₹.244.82 Lakhs (March 31, 2013 ₹.244.82 Lakhs)	106.00	193.91
Zela Wellness India Private Limited (ZWIPL) (Refer Note below) 19,600 (March 31, 2013 - 19,600) Equity shares of ₹.10 each fully paid-up	—	—
Other Investment		
Allegro Capital Private Limited - Certificate of Investment	325.00	325.00
Subscription/application money		
Health and Wellness India Private Limited (Refer Note 31)	309.86	—
Zela Wellness India Private Limited (Refer Note 31)	75.00	—
Noble Explochem Ltd	538.75	307.85
	1,412.52	934.67
Less: Provision for diminution in value of investments *	5.90	5.90
	1,406.62	928.77
Aggregate amount of quoted investments (Market value: ₹.2.44 Lakhs (March 31, 2013 - ₹.1.87 Lakhs))	0.01	0.01
Aggregate amount of unquoted investments	1,406.61	928.76
Aggregate provision for diminution in value of investments	5.90	5.90

Note: The share of losses in HWIPL of ₹. 87.91 Lakhs of HWIPL and in ZWIPL of ₹. 50 Lakhs have been adjusted against the value of respective investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 14 - LOANS AND ADVANCES:				
Capital advances				
Unsecured, considered good	542.18	570.35	—	—
Security deposit				
Unsecured, considered good	112.78	101.83	—	10.00
Loans to related parties (Refer Note 32) #				
Unsecured, considered good	—	228.00	—	—
Advances recoverable in cash or kind				
Unsecured considered good	8.92 *	8.03 *	435.01	438.12
Doubtful	24.09	24.09	7.98	—
	33.01	32.12	442.99	438.12
Provision for doubtful advances	24.09	24.09	7.98	—
	8.92	8.03	435.01	438.12
Other loans and advances (unsecured)				
Inter corporate deposit	267.83	267.83	50.00	50.00
Advance income-tax (net of provision for taxation)	—	—	176.68	89.89
MAT credit entitlement	—	—	15.46	0.14
Prepaid expenses	—	—	29.17	50.40
Loans to employees **	70.83	89.39	38.81	18.09
Balances with statutory/government authorities ***	—	—	107.33	93.70
Others	—	—	—	3.54
	338.66	357.22	417.45	305.76
Provision for doubtful inter corporate deposit	267.83	267.83	—	—
	70.83	89.39	417.45	305.76
	734.71	997.60	852.46	753.88
Loans to related parties include #				
Health and Wellness India Private Limited (Refer Note 13)	—	228.00	—	—
[Maximum amount outstanding during the year ₹.288.00 Lakhs (March 31, 2013 - ₹.228.00 Lakhs)]				
Zela Wellness India Private Limited (Refer Note 13)	—	—	—	—
[Maximum amount outstanding during the year ₹.75.00 Lakhs (March 31, 2013 - ₹.40.00 Lakhs)]				
Loans and advances due by directors or other officers, etc. **				
Dues from officers	—	—	—	1.60
* includes share in joint venture ₹.0.96 Lakh (March 31, 2013 - ₹.1.00 Lakh)				
*** includes share in joint venture ₹.0.14 Lakh (March 31, 2013 - ₹.Nil)				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 15 - TRADE RECEIVABLES AND OTHER ASSETS:				
15.1. Trade receivables				
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	282.26 *	402.74 *
Considered doubtful	170.67	157.70	6.50	6.47
	<u>170.67</u>	<u>157.70</u>	<u>288.76</u>	<u>409.21</u>
Less: Provision for doubtful debts	170.67	157.70	5.97	5.97
	<u>-</u>	<u>-</u>	<u>282.79</u>	<u>403.24</u>
Other receivables				
Considered good	-	-	3,771.02	2,125.41
	<u>-</u>	<u>-</u>	<u>4,053.81</u>	<u>2,528.65</u>
Trade receivables include due from Company in which the Group Company's director is a director - Dupen Laboratories Private Limited	-	-	4.75	11.85
* includes share in joint venture ₹.1.85 Lakhs (March 31, 2013 - ₹.1.67 Lakhs)				

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
15.2. Other assets				
Unsecured, considered good unless stated otherwise				
Non-current bank deposit balances (Refer Note 18)	8.71	2.50	22.66	59.79
Interest accrued	-	24.29	81.91	153.05
[Interest accrued includes ₹.3.75 Lakhs [(March 31, 2013- ₹.5.25 Lakhs) from Government Bonds]	<u>8.71</u>	<u>26.79</u>	<u>104.57</u>	<u>212.84</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 16 - CURRENT INVESTMENTS:		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted		
Union KBC Trigger Fund Series 1 - Regular Plan 4,99,990 (March 31, 2013 - Nil) units of ₹.10 each	50.00	—
Kotak Quarterly Interval Plan Series 9 Nil (March 31, 2013 - 20,49,986.827) units of ₹.10 each	—	205.00
Union KBC Capital Protection Oriented Fund - Series 5 5,00,000 (March 31, 2013 - Nil) units of ₹. 10 each	50.00	—
Union KBC Fixed Maturity Plan Series 7 20,00,000 (March 31, 2013 - Nil) units of ₹. 10 each	200.00	—
	300.00	205.00
Aggregate amount of quoted investments (Market value ₹.Nil (March 31, 2013: ₹.Nil))	—	—
Aggregate amount of unquoted investments	300.00	205.00

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 17. INVENTORIES (valued at lower of cost and net realizable value):		
Raw materials and components (includes in transit of ₹.195.85 Lakhs (March 31, 2013: ₹.48.93 Lakhs)) (Refer note 21)	* 1,049.95	1,227.54
Work-in-process - Motion Film production	45.06	45.06
Work-in-process	** 884.57	678.62
Finished goods	*** 193.37	375.35
Stores and spares	172.29	186.50
	**** 2,345.24	2,513.07

* includes share in joint venture ₹.2.76 Lakhs (March 31, 2013 - ₹.2.51 Lakhs)

** includes share in joint venture ₹.11.82 Lakhs (March 31, 2013 - ₹.10.73 Lakhs)

*** includes share in joint venture ₹.5.21 Lakhs (March 31, 2013 - ₹.4.72 Lakhs)

**** includes share in joint venture ₹.19.79 Lakhs (March 31, 2013 - ₹.17.96 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
NOTE 18. CASH AND BANK BALANCES:				
Cash and cash equivalents				
Balances with banks:				
With scheduled banks on:				
Current account	—	—	478.42	285.76
Unclaimed dividend account	—	—	28.97	24.78
Deposits with original maturity of less than three months	—	—	0.03	0.03
With non-scheduled bank on:				
Current account #	—	—	56.53	48.32
Cash on hand	—	—	8.55	4.44
	<u>—</u>	<u>—</u>	<u>572.50</u>	<u>363.33</u>
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months ##	—	—	3,126.65	3,088.86
Deposits with original maturity for more than 12 months	—	2.50	—	—
Margin money deposit	8.71	—	22.66	59.79
	<u>8.71</u>	<u>2.50</u>	<u>3,149.31</u>	<u>3,148.65</u>
Amount disclosed under non-current assets (Refer note 15.2)	(8.71)	(2.50)	(22.66)	(59.79)
	<u>—</u>	<u>—</u>	<u>3,699.15</u>	<u>3,452.19</u>

* includes share in joint venture ₹.0.01 Lakh (March 31, 2013 - ₹.0.01 Lakh)

# includes	Maximum balance outstanding during the year		Balance as on	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs	₹. in Lakhs
Ceskoslovenska obchodni banka, a.s. Czech Republic	18.03	23.15	9.18	7.88
Komerční banka, a.s. Czech Republic	0.01	7.24	0.02	0.01
National Westminster Bank Plc. London	47.34	41.73	47.34	40.43
			<u>56.53</u>	<u>48.32</u>

Margin money deposits with a carrying amount of ₹.68.08 Lakhs (includes deposits of ₹.36.71 Lakhs for Thane One Project) (March 31, 2013 NIL) (March 31, 2013 ₹.59.79 Lakhs) are subject to first charge to secure the Letters of Credit facilities availed by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 19 - REVENUE FROM OPERATIONS:		
19.1 Revenue from operations		
Sale of products		
Finished goods	12,699.74	10,088.23
Traded goods	124.61	161.59
	<u>12,824.35</u>	<u>10,249.82</u>
Less: Excise duty	331.43	259.94
	<u>12,492.92</u>	<u>9,989.88</u>
19.2 Other operating revenue		
Rent (tax deducted at source ₹.125.63 Lakhs, March 31, 2013 - ₹.124.51 Lakhs)	1,174.10	1,153.58
Service income	22.55	33.44
Scrap sales	2.62	7.26
Sale of script	-	1.85
Profit on sale/redemption of current investments - other than trade	0.04	12.22
Dividend Income from investments: Current - other than trade	3.08	36.46
Interest income on :		
Inter-corporate deposits	6.00	50.12
Bank deposits	199.29	371.11
Security deposits and others	6.99	3.78
Bonds	5.51	8.09
[tax deducted at source ₹.9.18 Lakhs, (March 31, 2013 - ₹.41.90 Lakhs)]	<u>217.79</u>	<u>433.10</u>
	<u>1,420.18</u>	<u>1,677.91</u>

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 20.1 - OTHER INCOME:		
Exchange gain (net)	219.76	159.82
Miscellaneous Income	4.61	6.89
	<u>224.37</u>	<u>166.71</u>

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 20.2 - INTEREST INCOME:		
Interest on income-tax refunds	4.73	5.04
	<u>4.73</u>	<u>5.04</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 21 - COST OF PRODUCTION:		
Inventories of raw material / packing material at the beginning of the year	1,225.03	1,162.72
Add: Purchases	5,495.30 *	4,289.01 *
Less : Inventories of raw material / packing material at the end of the year	1,047.19	1,225.03
	<u>5,673.14 *</u>	<u>4,226.70 *</u>
* includes share in joint venture ₹. Nil (March 31, 2013 - ₹.2.85 Lakhs)		

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 22 - (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year (Refer Note 17)		
Work-in-process	872.75	667.89
Finished goods	188.16	370.63
Work-in-process - production of movie	45.06	45.06
	<u>1,105.97</u>	<u>1,083.58</u>
Inventories at the beginning of the year (Refer Note 17)		
Work-in-process	667.89	433.28
Finished goods	370.63	329.03
Work-in-process - production of movie	45.06	45.06
	<u>1,083.58</u>	<u>807.37</u>
	<u>(22.39)</u>	<u>(276.21)</u>

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 23 - EMPLOYEE BENEFITS EXPENSE:		
Salaries, wages and bonus	1,790.15 *	1,770.62 *
Contribution to provident and other funds	100.71	102.71
Gratuity expenses (Refer Note 28 (iv))	(1.87)	16.60
Employee welfare expenses	172.47	182.27
	<u>2,061.46</u>	<u>2,072.20</u>
* includes share in joint venture ₹.Nil (March 31, 2013 - ₹.0.63 Lakh)		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 24 - OTHER EXPENSES:		
Consumption of stores and spares	331.83	246.69
Processing charges	481.07	428.06
Power and fuel	719.65	584.70
Water	13.07	16.88
Rates and taxes	78.59	71.58
Excise duty expenses	47.92	27.15
Rent	32.63	40.70
Insurance	92.67	90.64
Repairs and maintenance:		
Plant and machinery	52.97	64.31
Buildings	43.58	113.10
Others	153.93	197.85
Commission and discounts on sales	32.01	4.37
Advertising and sales promotion expenses	105.93	68.50
Packing, freight and distribution expenses	207.68	168.20
Travelling and conveyance	315.67	372.36
Legal and professional charges	439.89	360.06
Payment to auditors	35.94	38.22
Exchange loss (net)	0.50	—
Communication costs	44.17	56.55
Donation	7.66	9.24
Directors' sitting fees	8.65	10.10
Printing and stationery	39.63	44.81
Staff recruitment expenses	9.31	25.82
Provision for doubtful debts and advances	20.95	5.36
Loss on sale of fixed assets (net)	7.40	3.78
Loss on deletion of fixed assets	0.05	3.52
Miscellaneous expenses	177.15 *	191.30 *
	3,500.50	3,243.85
* includes share in joint venture ₹.0.05 Lakh (March 31, 2013 - 3.83 Lakhs)		

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Payment to auditors'		
As auditor		
Audit fee	15.75	16.25
Tax audit fee	4.55 *	5.55 *
Limited review	13.50	13.50
In other capacity in respect of:		
Other services (certification fees)	0.25	1.25 *
Reimbursement of expenses	1.89 *	1.67 *
	35.94	38.22
* includes amount payable to another auditor		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 25 - DEPRECIATION AND AMORTIZATION EXPENSE:		
Depreciation of tangible assets	839.91	775.83
Amortization of intangible assets	144.19	163.73
	<u>984.10</u>	<u>939.56</u>

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 26 - FINANCE COST:		
Interest on term loans	222.94	268.86
Interest on others	298.04	224.44
Bank Charges	9.56	8.49
	<u>530.54</u>	<u>501.79</u>

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
NOTE 27 - EARNINGS PER SHARE (EPS):		
Profit/(loss) after tax	787.87	415.91
	No. in Lakhs	No. in Lakhs
Weighted average number of equity shares in calculating basic EPS	22.93	22.93
Earnings per share (₹.Per share):	34.36	18.14

NOTE 28 - EMPLOYEE BENEFITS:

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

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
a) Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee benefit expense, provident and other funds on note 23 for the year are as under:		
- Provident fund	98.26	100.26
- Superannuation scheme	2.45	2.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

b) Defined Benefit Plan

Gratuity - As per actuarial valuation

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
	Gratuity (Funded)	
i) Changes in the present value of the defined benefit		
Opening	180.90	152.48
Interest cost	17.96	14.52
Current service cost	25.36	23.06
Benefits paid	(1.04)	(3.02)
Actuarial (gains) / losses on obligation	(32.58)	(6.14)
Closing	190.60	180.90
ii) Changes in fair value of plan assets		
Opening	176.33	121.60
Expected return on plan assets	16.01	12.07
Actuarial (gains) / losses on obligation	(3.16)	1.15
Employer's contribution	1.14	44.53
Benefits paid	(1.04)	(3.02)
Closing	189.28	176.33
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	190.60	180.90
Fair value of plan asset	189.28	176.33
Amount not recognised as Asset	(0.49)	(0.25)
Net Asset (liability) recognised in balance sheet	(1.81)	(4.82)
iv) Amounts recognised in profit and loss account		
Current service cost	25.36	23.06
Interest cost	17.96	14.52
Expected return on plan assets	(16.01)	(12.07)
Net actuarial (gain) /loss recognised	(29.42)	(7.29)
Amount not recognised as Asset	0.24	(1.62)
Total expense	(1.87)	16.60
v) Actual return on plan assets	12.85	13.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

March 31, 2014 March 31, 2013
₹. in Lakhs ₹. in Lakhs

Gratuity (Funded)

NOTE 28 - EMPLOYEE BENEFITS: (contd.)

vi) Principal assumptions used in actuarial valuation

Discount rate	8.25% - 9.35%	8.10% - 8.5%
Expected return on plan assets	9.15%	9.15%
Salary escalation rate	10%	10%
Withdrawal rate	21 to 30 - 10%	21 to 30 - 7%
	31 to 40 - 5%	31 to 40 - 4%
	41 to 50 - 3%	41 & above - 0.33%
	51 & above - 2%	

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

	DIL	FBL	DIL	FBL
Investments with insurer	100%	99%	100%	83%
Investments with others	Nil	1%	Nil	17%

Gratuity (Funded)

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs	March 31, 2012 ₹. in Lakhs	March 31, 2011 ₹. in Lakhs	March 31, 2010 ₹. in Lakhs
viii) Amounts for the current and previous three periods					
Defined benefit obligation	190.59	180.89	152.48	156.13	141.52
Plan Assets	189.28	176.33	121.61	114.36	96.57
Surplus/(deficit)	(1.31)	(4.56)	(30.88)	(41.77)	(44.95)
Experience Adjustments on plan liabilities	(12.23)	(11.24)	(19.41)	(7.14)	(16.76)
Experience Adjustments on plan assets	(3.16)	1.15	(4.34)	1.64	1.64

- ix) a) The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.
- b) Expected rate of return on assets assumed by the Insurance Company is generally based on their investment pattern as stipulated by the Government of India.
- c) The estimates of rate escalation in salary considered in the actuarial valuation take in to account inflation, seniority promotion and other relevant factors including supply demand in the employment market.
- d) The Group (consisting of parent Company and Fermenta Biotech Limited only) is expected to contribute to the Gratuity fund during 2014-15 ₹.10 Lakhs (March 31, 2013 ₹. 10.00 Lakhs during 2013-14)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

March 31, 2014 March 31, 2013
₹. in Lakhs ₹. in Lakhs

NOTE 29 - LEASES:

Assets taken on operating lease

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

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

32.63 40.70

Assets given on operating lease

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

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

- 1, Rent income recognised in the statement of profit and loss for the year.

1,174.10 1,153.58

(includes rentals on sub-lease of ₹.406.90 lakhs (March 31, 2013 ₹.381.85 lakhs) which will expire with no renewable terms on September 30, 2018)

- 2 Future minimum lease payment under the non-cancellable leases in the aggregate and for each of the following periods:

i) Not later than one year	777.37	337.75
ii) Later than one year and not later than five years	716.40	757.32
iii) More than five years	—	—

NOTE 30 - INTEREST IN JOINT VENTURE:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

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

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Percentage of holding	50%	50%
Assets	22.74	20.64
Liabilities	0.98	0.86
Income	—	—
Expenditure	0.05	7.31
Capital Commitment	—	—
Contingent liabilities	—	—

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

NOTE 31. During the current year, Company has entered into an agreement with other investors to invest additional amount in the operations of Health & Wellness India Private Limited (H&W) & Zela Wellness India Private Limited (Zela) (associate companies) and also agreed to merge the operations of these two associates into one single entity. Pursuant to this agreement the outstanding Loans and advances, of ₹. 309.86 Lakhs with H&W & ₹. 25 Lakhs with Zela given by the Company has been converted into share application money. Post the completion of merger operations and shareholding alignment, the company will own 50.94% stake in the combined operations.

NOTE 32 - RELATED PARTY DISCLOSURES:

a. Parties where control exists

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

Holding company

DVK Investments Private Ltd.

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

Fellow Subsidiary

VM Café De Art Private Ltd.

c. Key Management Personnel

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

d. Associates

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

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

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

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

g. Transactions with related parties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 32 - RELATED PARTY DISCLOSURES : (contd.)

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

(₹. in Lakhs)					
Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
1 Loans and advances given					
- Health and Wellness India Private Ltd.					60.00 (128.00)
- Zela Wellness India Private Limited					25.00 (40.00)
2 Loans recovered					
- Zela Wellness India Private Limited					- (40.00)
3 Interest on loan					
- Health and Wellness India Private Ltd.					- (24.29)
4 Remuneration					
- Mr. Satish Varma			39.29 (39.50)		
- Mr. Krishna Datla			47.23 (41.72)		
- Mr. Keshav H Kashid			60.27 (48.02)		
- Mr. Prashant Nagre			73.54 (61.54)		
- Mr. Sudarshan Kamath			36.92 (31.38)		
- Mr. Srikant N Sharma			29.09 (23.04)		
- Ms. Anupama Datla			46.60 (47.16)		
- Mr. Rajendra Gaitonde			34.48 (30.45)		
5 Sales					
- Dupen Laboratories Private Ltd.				5.22 (11.37)	
6 Purchase of raw material					
- Dupen Laboratories Private Ltd.				- (41.95)	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 32 - RELATED PARTY DISCLOSURES (contd.):

(₹. in Lakhs)					
Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
- Lacto Cosmetics (Vapi) Private Ltd.				3.37 (3.10)	
7 Processing Charges paid					
- Lacto Cosmetics (Vapi) Private Ltd.				11.25 (7.15)	
8 Rent income					
- DVK Investment Private Ltd.	1.35 (1.29)				
- Magnolia FNB Private Ltd.		1.20 (1.20)			
9 Investment in equity share capital (Refer Note 13)					
- Health and Wellness India Private Ltd.					309.86 (-)
- Zela Wellness India Private Ltd.					75.00 (50.00)
10 Balance outstanding as at the year end					
a.Trade payable					
- Lacto Cosmetics (Vapi) Pvt. Ltd.				3.20 (3.80)	
- Dupen Laboratories Private Ltd.				- (0.49)	
- Mr. Prashant Nagre			12.00 (-)		
- Mr. Rajendra Gaitonde			4.00 (-)		
- Mr. Sudarshan Kamath			5.53 (-)		
- Mr. Keshav H Kashid			13.97 (-)		
- Mr. Srikant N Sharma			6.64 (-)		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 32 - RELATED PARTY DISCLOSURES (contd.):

					(₹. in Lakhs)
Particulars	Holding Company	Fellow Subsidiary/ Joint venture	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate/ Others
b.Trade receivables					
- Dupen Laboratories Private Ltd.				4.75	
				(11.85)	
c.Loans					
- Health and Wellness India Private Ltd.					-
					(228.00)
d.Interest accrued					
- Health and Wellness India Private Ltd.					-
					(24.29)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 33 - SEGMENT INFORMATION:

Primary Segments - Business Segments

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

Property - Renting of properties

Treasury - Investment in shares, securities and mutual funds.

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

Chemicals - Manufacturing and selling of chemicals primarily bulk drugs and enzymes.

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

(₹. in Lakhs)

	2013-2014				
	2012-2013				
	Chemicals	Property	Treasury	Entertainment	Total
a. Revenue					
1. Segment revenue	12,724.74 10,162.96	1,293.61 1,321.02	244.79 499.09	– 1.85	14,263.14 11,984.92
Less: Inter-segment revenue	3.55 –	97.25 133.20	33.68 26.81	– –	134.48 160.01
Unallocated revenue					13.54 14.63
2. Total					14,142.20 11,839.54
b. Result					
1. Segment result / operating profit / (loss)	1,777.84 985.60	661.68 727.25	208.78 472.28	(81.81) (83.54)	2,566.49 2,101.59
2 Finance costs					530.54 501.79
3 Unallocable income/(expenditure) (net)					(698.45) (589.65)
4 Profit before tax					1,337.50 1,010.15
5 Prior period amortization adjustment					102.83 –
6 Provision for tax					
- current tax					309.35 207.35
- deferred tax					39.83 159.80
- Provision for tax in respect of earlier years written back					(10.13) –
7. Profit after tax					1,101.28 643.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 33 - SEGMENT INFORMATION (contd.):

	(₹. in Lakhs)				
	2013-2014				
	2012-2013				
	Chemicals	Property	Treasury	Entertainment	Total
c. Other information					
1. Segment assets	14,581.42 <i>13,749.96</i>	5,087.58 <i>2,829.92</i>	4,963.18 <i>4,675.96</i>	218.68 <i>363.14</i>	24,850.86 <i>21,618.98</i>
2. Unallocated corporate assets					1,012.26 <i>950.26</i>
3. Total assets					25,863.12 <i>22,569.24</i>
4. Segment liabilities	8,408.58 <i>8,347.19</i>	789.09 <i>680.36</i>	– <i>0.08</i>	226.34 <i>230.33</i>	9,424.01 <i>9,257.96</i>
5. Unallocated corporate liabilities					3,169.63 <i>563.40</i>
6. Total liabilities					12,593.64 <i>9,821.36</i>
7. Cost incurred during the year to acquire					
- segment tangible and intangible assets	140.67 <i>2,565.56</i>	2,635.58 <i>766.51</i>	– <i>–</i>	0.86 <i>0.93</i>	2,777.11 <i>3,333.00</i>
- unallocated segment tangible and intangible assets					25.26 <i>10.23</i>
8. Depreciation and amortization expense	758.43 <i>713.45</i>	188.50 <i>182.11</i>	– <i>–</i>	4.80 <i>5.10</i>	951.73 <i>900.66</i>
9. Unallocated depreciation					32.37 <i>38.90</i>

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

Secondary Segments - Geographical Segments

Secondary segmental reporting is performed on the basis of the geographical location of customers. The management views the Indian market and export markets as distinct geographical segments.

Sales by market – The following is the distribution of the Company's sale by geographical market:

	2013-14	2012-13
	₹. in Lakhs	₹. in Lakhs
India	4,817.02	4,537.44
Europe	6,871.97	6,162.83
Others countries	2,439.67	1,124.64
	14,128.66	11,824.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 33 - SEGMENT INFORMATION (contd.):

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

	Carrying amount of Segment Assets		Additions to tangible and intangible assets	
	2013-2014 ₹. in Lakhs	2012-2013 ₹. in Lakhs	2013-2014 ₹. in Lakhs	2012-2013 ₹. in Lakhs
India	23,803.41	20,789.21	2,802.37	3,343.23
Outside India	2,059.71	1,780.03	–	–
	<u>25,863.12</u>	<u>22,569.24</u>	<u>2,802.37</u>	<u>3,343.23</u>

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

NOTE 34 - CAPITAL AND OTHER COMMITMENTS:

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Estimated amount of contracts remaining to be executed on capital account.		
DIL Limited	3,877.82	3,871.14
Fermenta Biotech Limited	55.84	59.76

NOTE 35 - CONTINGENT LIABILITIES:

	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
Contingent liabilities not probable and hence not provided by the Company in respect of;		
a) Tax matters		
– Income Tax - matter under appeal	21.24	42.74
– Excise Duty - matter under appeal	8.00	1.50
– Service tax - matter under appeal	22.50	15.00
– Sales tax - matter under appeal	4.63	4.63
b) Other Claims	15.99	4.99
	<u>72.36</u>	<u>68.86</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 36 - DERIVATIVE INSTRUMENTS:

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes. There are no foreign exchange forward contracts outstanding as at March 31, 2014 and as at March 31, 2013.

b) Un-hedged foreign currency exposure:

Particulars	March 31, 2014		March 31, 2013	
	Foreign Currency in Lakhs	₹. in Lakhs	Foreign Currency in Lakhs	₹. in Lakhs
DIL Limited				
a) Cash and bank balance	Kc 3.06	9.18	Kc 2.89	7.88
	-	-	-	-
b) Sundry Creditors	-	-	EURO 3,414.19	2.39
	-	-	-	-
Fermenta Biotech Limited				
a) Trade receivables	USD 14.16 EURO 25.53	846.10 2,098.12	USD 6.74 EURO 17.44	366.52 1,214.63
b) Trade payables	USD 2.88 EURO 7.41	172.10 610.08	USD 1.49 EURO 3.75	81.70 262.49

NOTE 37 - DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006:

Particulars	March 31, 2014 ₹. in Lakhs	March 31, 2013 ₹. in Lakhs
a i) Principal amount remaining unpaid to any supplier at the end of the accounting year	14.01	3.43
ii) Interest due on above	0.14	0.75
The Total of (i) & (ii)	14.15	3.43
b The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	0.12	0.69
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.03	0.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006

Nil

Nil

NOTE 38 - Previous year's figures have been regrouped wherever necessary.

As per our report of even date

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

per Vikram Mehta
Partner
Membership No : 105938

Mumbai
Date: May 30, 2014

For and on behalf of the Board of Directors

G. G. DESAI Chairman	KRISHNA DATLA Managing Director	RAJESHWARI DATLA Director
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SATISH VARMA Director	SANJAY BUCH Director	VINAYAK HAJARE Director
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K. H. KASHID Chief Financial Officer	SRIKANT N. SHARMA Company Secretary
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Thane
Date: May 30, 2014

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES (2013-2014)

STATEMENT PURSUANT TO GENERAL EXEMPTION GRANTED BY MINISTRY OF CORPORATE AFFAIRS U/S 212(8) OF THE COMPANIES ACT, 1956 AS PER CIRCULAR NO. 2/2011 DATED FEBRUARY 8, 2011

₹. in Lakhs

Sr. No.	Name of Subsidiary	Fermenta Biotech Ltd.	Fermenta Biotech (UK) Ltd.	G I Biotech Pvt. Ltd.	Aegean Properties Ltd.	CC Square Films Ltd.
	Place of Incorporation	India	UK	India	India	India
1.	Capital	1,770.45	183.60	1.00	30.00	5.00
2	Reserves & Surplus (adjusted for debit balance in Profit and Loss Account, where applicable)	6,070.85	(31.13)	1.83	60.02	(5.70)
3	Total Assets (Fixed Assets + Current Assets+Non current assets – Investments)	14,472.35	153.71	10.13	90.12	0.11
4	Total Liabilities (Non Current Liabilities+Current Liabilities)	6,817.67	1.24	7.30	0.10	0.81
5	Investments	186.62	–	–	–	–
6	Miscellaneous Expenditure	–	–	–	–	–
7	Total Income (including excise duty where applicable)	12,510.19	8.00	3.55	18.00	–
8	Total Expenditure	11,658.26	1.31	0.91	4.04	1.71
9	Exceptional Item	–	–	–	–	–
10	Exchange difference gain / (loss)	211.75	–	–	–	–
11	Profit / (Loss) before Tax	1,063.68	6.69	2.64	13.96	(1.71)
12	Provision for tax	267.66	–	0.04	6.97	–
13	Profit / (Loss) after tax	796.02	6.69	2.60	6.99	(1.71)
14	Exchange Rate used for 1 GBP					
	Balance Sheet	–	₹. 99.6240	–	–	–
	Statement of Profit and Loss	–	₹. 95.8900	–	–	–
15	Local Currency	₹.	GBP	₹.	₹.	₹.



Corporate Identification Number (CIN) – L99999MH1951PLC008485
Registered Office: 'dil' Complex, Ghodbunder Road, Majiwada, Thane (W) – 400 610
Tel: 022 6798 0800 • Fax: 022 6798 0899 • Email: contact@dil.net • Website: www.dil.net

BALLOT FORM

(To be sent on or before September 20, 2014 (6.00 pm IST) duly filled and signed to the Scrutinizer appointed by the Company)

(Please read the instructions printed overleaf carefully before completing this form.)

1. Name(s) of Shareholder(s), including Joint holder(s),
if any, (in block letters) :
2. Registered Address of the Sole / First named
Shareholder / Beneficial Owner :
3. Registered Folio No. / DP ID and Client ID No.* :
4. Number of Equity Shares held :

I / We hereby exercise my / our vote in respect of the Resolutions set out in the Notice of the Annual General Meeting dated September 24, 2014 by sending my / our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resol- ution No.	Description	No. of shares	I/We assent to the Reso- lution	I/We dissent to the Reso- lution
1	To receive, consider and adopt the audited Statement of Profit and Loss for the financial year ended March 31, 2014 and the Balance Sheet as at that date, Report of the Directors' and the Auditor's thereon.			
2	To confirm the payment of Interim Dividend (₹. 7.50 per equity share) and to declare a Final Dividend on equity shares (₹. 2.50 per equity share) for the financial year ended March 31, 2014.			
3	To appoint a Director in place of Ms. Rajeshwari Datla (DIN – 00046864), who retires by rotation and being eligible offers herself for re-appointment.			
4	Appointment of Statutory Auditors, in place of retiring Auditors, and fix their remuneration			
5	Appointment of Mr. G.G. Desai as an Independent Director			
6	Appointment of Mr. Sanjay Buch as an Independent Director			
7	Appointment of Mr. Vinayak Hajare as an Independent Director			

Place :

Date :

Signature of the Member

*Email address:

* Members holding shares in physical form can provide their email ids.

Notes:

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by Ballot Form or through e-voting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the Notes appended to the Notice of Annual General Meeting.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through Ballot Form to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.

INSTRUCTIONS

Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and mail it in order to reach the Scrutinizer appointed by the Board of Directors of the Company, i.e. Mr. Ashish C. Bhatt, Practicing Company Secretary (Membership No. F2956), at the Registered Office of the Company, not later than the close of working hours (6.00 p.m IST) on September 20, 2014. For this purpose, a self-addressed prepaid envelope is enclosed and postage will be paid by the Company. The envelope bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, envelopes containing the Ballot Form(s), if deposited in person or sent by courier or registered/ speed post will be at the expense of the Member and will also be accepted.
2. The Ballot Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Ballot Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Ballot Form for every Folio/ Client ID irrespective of the number of joint holders.
3. For shares held by companies, bodies corporate, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authorization letter together with attested specimen signature(s) of the duly authorized signatory(ies).
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick mark in the column provided for assent/ dissent. Members may partially enter any number of shares in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 11, 2014 ("Cut Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
6. Duly completed Ballot Forms should reach the Scrutinizer not later than the close of working hours (6.00 p.m. IST) on September 20, 2014. Ballot Forms received after September 20, 2014 will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Ballot Form should reach the Scrutinizer not later than the date specified at Sr. No.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Ballot Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The Scrutinizer's decision on the validity of a Ballot Form will be final.
10. Except as otherwise mentioned herein, Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
11. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be published in newspapers, placed on the Company's website www.dil.net and communicated to the Stock Exchange where the Company shares are listed viz. The Bombay Stock Exchange Limited.
12. Members may address any query to Mr. Srikant Sharma, Compliance Officer, at the Registered Office of the Company, Tel: 022 6798 0800, Fax: 022 6798 0899 or by e-mail to srikant.sharma@dil.net.

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the steps as mentioned hereunder and Other Instructions mentioned in point 15(B) of the Notes to AGM Notice to cast their vote electronically ('e-voting'/'voting'):

- (i) Log on to the e-voting website, www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For Members having demat account with DP connected to CDSL: please enter 16 digits beneficiary ID as your User ID,
 - b. For Members having demat account with DP connected to NSDL: please enter 8 Character DP ID followed by 8 Digits Client ID as your User ID,
 - c. For Members holding shares in Physical Form – please enter Folio Number registered with the Company as your User ID.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted earlier for any other company, then your existing password is to be used.
- (vii) If you are a first time user, please follow the steps given below; for generation of password:

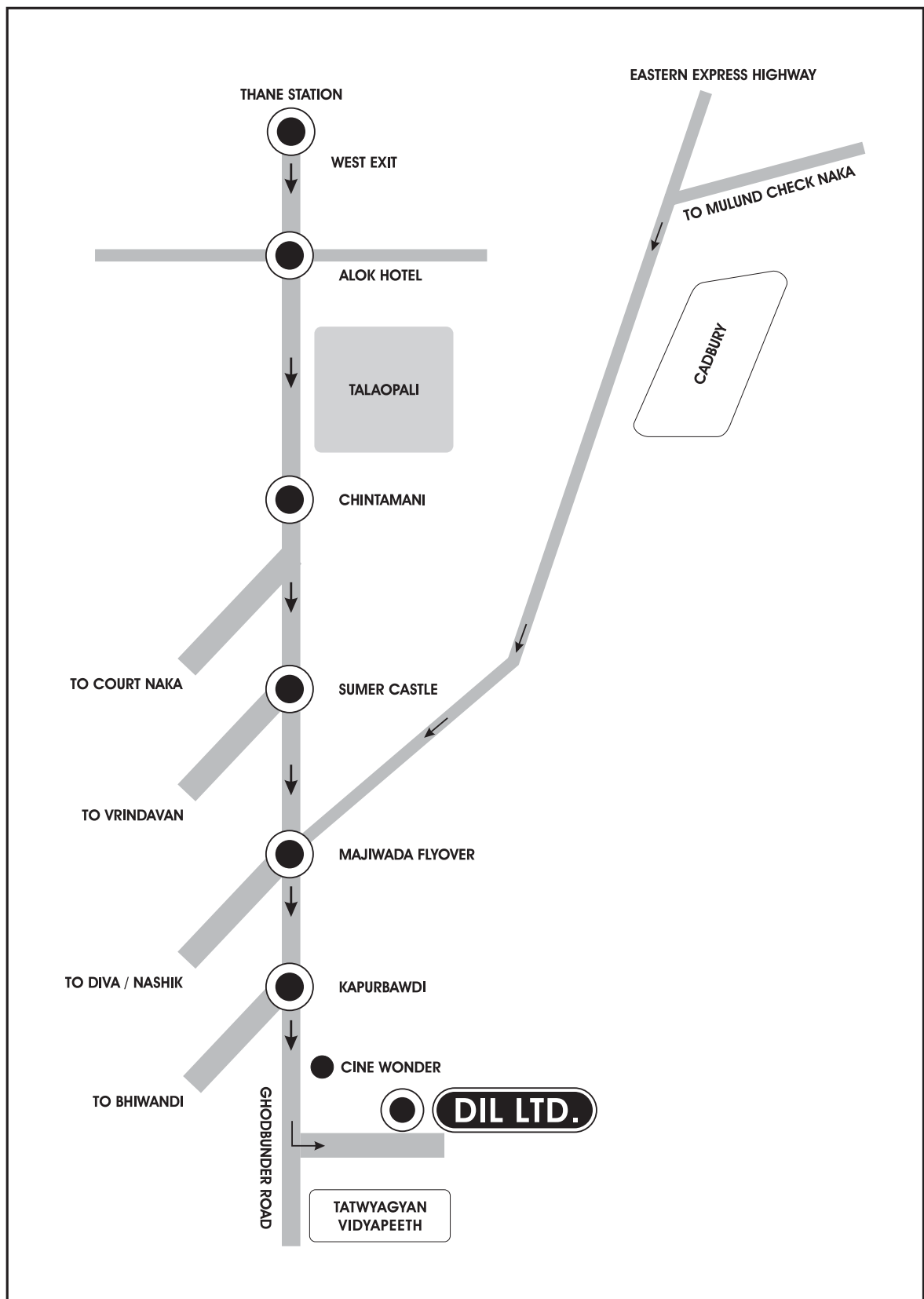
	For Members holding shares in Demat Form and/or Physical Form
PAN*(Mandatory)	- Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Date of Birth (DOB) # #OR Dividend Bank Details #(# In addition to PAN, any one of either DOB or Dividend Bank details is mandatory)	- Enter the Date of Birth (DOB) as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. - Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date i.e. September 11, 2014 in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to 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 other company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) 140819005 for DIL Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Members
 - Institutional members (i.e. other than Individuals, HUF, NRI etc.) are requested to log on to <https://www.evotingindia.co.in> 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, Institutional members are requested to create a compliance user, who would be able to link the account(s) for which Institutional members wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, Institutional members would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which Institutional members have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

62nd AGM Venue's Roadmap



NOTES

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

DIL LIMITED

CIN: L99999MH1951PLC008485

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

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

I hereby record my presence at the Sixty Second Annual General Meeting of the Company held at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400610 on Wednesday, September 24, 2014 at 3.00 p.m.

Member's Folio/DP ID-Client ID No. _____

Member's/Proxy's name in Block Letters _____

Member's/Proxy's signature _____

Note :

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

TEAR HERE

PROXY FORM

(Pursuant to Section 105 of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

DIL LIMITED

CIN: L99999MH1951PLC008485

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

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

Name of the member (s):

Registered address:

E-mail Id: Folio No/ Client Id: DP ID:

I/We, being the Member(s) of shares of the above named Company, hereby appoint

1. Name: E-mail ID:

Address:

..... Signature: or failing him/her

2. Name: E-mail ID:

Address:

..... Signature: or failing him/her

3. Name: E-mail ID:

Address:

..... Signature:

p.t.o.

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Sixty Second Annual General Meeting of the Company, to be held on Wednesday, September 24, 2014 at 3.00 p.m. at 'DIL' Complex, Ghodbunder Road, Majiwada, Thane (West) 400 610 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolu tion No.	Description	Optional	
		For	Against
1	To receive, consider and adopt the audited statements of Profit and Loss for the financial year ended March 31, 2014 and the Balance Sheet as at that date, Report of the Directors' and the Auditors thereon.		
2	To confirm the payment of Interim Dividend (₹. 7.50 per equity share) and to declare a Final Dividend on equity shares (₹. 2.50 per equity share) for the financial year ended March 31, 2014.		
3	To appoint a Director in place of Ms. Rajeshwari Datla (DIN – 00046864), who retires by rotation and being eligible offers herself for re-appointment.		
4	Appointment of Statutory Auditors, in place of retiring Auditors, and fix their remuneration		
5	Appointment of Mr. G.G. Desai as an Independent Director		
6	Appointment of Mr. Sanjay Buch as an Independent Director		
7	Appointment of Mr. Vinayak Hajare as an Independent Director		

Signed thisday of2014

Signature of member/Proxy(s):.....

Place :

Affix
Revenue
Stamp of
Re. 1

Notes:

- * 1. It is optional to put a 'X' (optional) in the Box in the appropriate column against the respective resolutions. In case you opt to leave 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. A person can act as proxy on behalf of not more than 50 [fifty] Members and holding in aggregate not more than 10% [ten percent] of the total Share Capital of the Company. Members holding more than 10% [ten percent] of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 'dil' Complex, Ghodbunder Road, Majiwada, Thane (W) 400 610 not later than 48 hours before the commencement of the aforesaid meeting.



CIN: L99999MH1951PLC008485

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

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

August 28, 2014

FORM A

Covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	DIL Limited
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Mr. Krishna Datla (Managing Director) Mr. K.H. Kashid (Chief Financial Officer) Mr. G.G. Desai (Audit Committee Chairman) For S.R. Batliboi & Associates LLP, Chartered Accountants (Auditors of the Company) : Mr. Vikram Mehta (Partner)	