

32<sup>nd</sup> Annual Report  
2014 - 2015



ENERGISE YOUR  
SCIENCE FOR LIFE

Dishman Pharmaceuticals  
and Chemicals Limited



# Energising Science for Life

Delivering excellence continues to be the bedrock of our business. We have emerged as life-long partners of emerging and leading pharmaceutical firms in the life sciences space.

With a leading position in global Contract Research and Manufacturing, we serve an array of customers in key advanced markets. We ensure smooth progress right from the early stages of discovery to high commercial volumes manufacturing. With a strategic focus on segments with better margins, we continue to consolidate our capabilities and create enduring and sustainable value for our stakeholders.

We look forward to making a positive impact on our customers. Our future roadmap outlines a new level of innovation and excellence to deliver quality customer experiences. We are identifying high-growth opportunities to further strengthen our global presence and enhance profitability.

# What's Inside

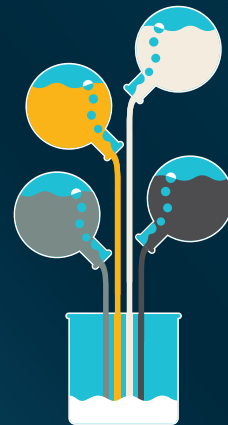
**Consolidating  
Capabilities**

**26**



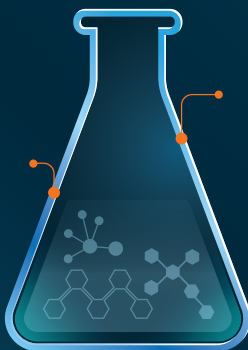
**End to End Integrated  
CRAMS Offering**

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**Building for  
the Future**

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**Committed  
to Quality**

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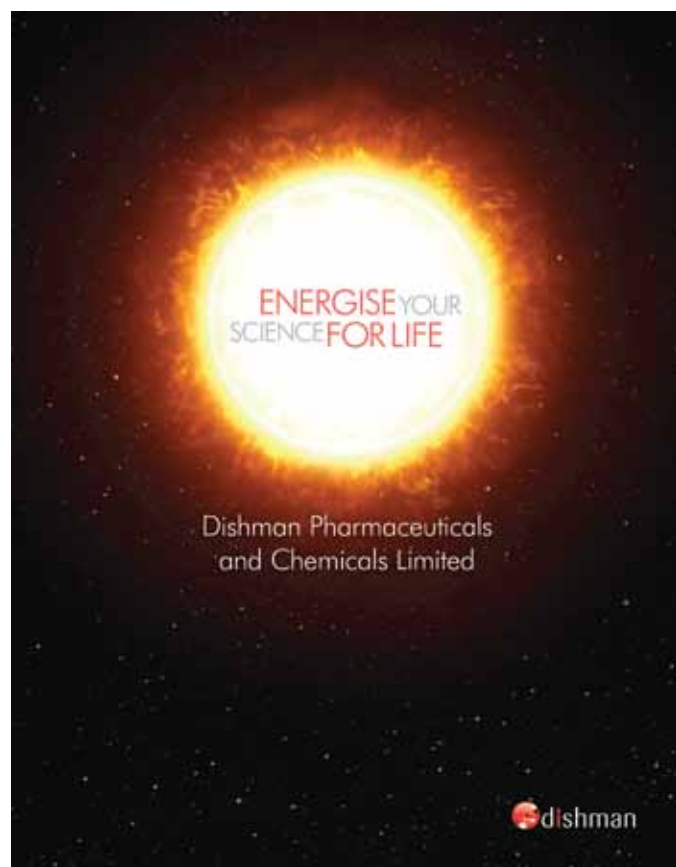


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We offer cost-effective, high quality research, development and manufacturing services that includes the production and supply of tailor-made, high quality Intermediates, and innovative and generic active pharmaceutical ingredients (API) to the pharmaceutical industry.



# At a Glance

We are a leading global outsourcing partner for the pharmaceutical industry, based in Ahmedabad in Gujarat, India. Our cost-effective, high quality research, development and manufacturing services that include the production and supply of tailor-made, high-quality Intermediates and innovative and generic Active Pharmaceutical Ingredients (APIs) straddling the entire pharmaceutical value chain.

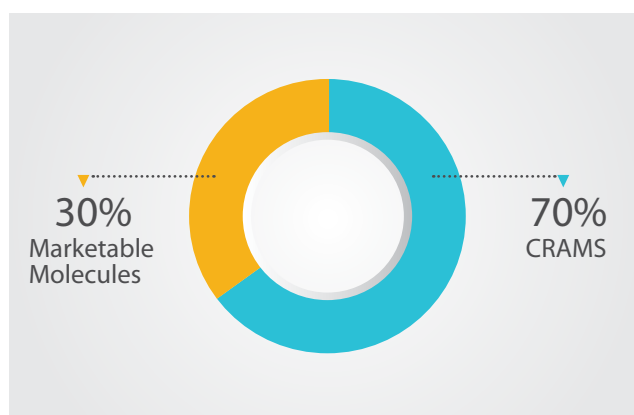
We have a global presence through multiple manufacturing sites in Europe, India, China and Saudi Arabia. Through our end-to-end core competencies and technical capabilities, we have transformed ourselves into a full-fledged Contract Research and Manufacturing (CRAMS) player for innovators from biotech to multinational pharma companies.

CARBOGEN AMCIS represents our relationship with our customers from early to mid-stages of a product lifecycle. Dishman India represents our relationship with customers from mid to mature stages of the same product's lifecycle. The two brands deliver complex solutions to suit the varied needs of our global customers – large and small – more appropriately.

## Our Products

- Active Pharmaceutical Ingredients
- High Potent APIs
- Intermediates
- Phase transfer catalysts
- Vitamin D
- Vitamin D analogues
- Cholesterol
- Lanolin-related products
- Antiseptic and disinfectant formulations

## REVENUE ANALYSIS (as on FY2015)





### ● Our Capabilities

- 28 dedicated R&D labs with multiple-shift R&D operations, including HiPo labs
- 25 facilities at Bavla, Naroda, Manchester, Switzerland, Netherlands and Shanghai
- 7,500 m<sup>2</sup> floor space of R&D at Switzerland, Manchester and Bavla
- Asia's largest HiPo facility at Bavla, India
- 325 Chemists
- 750 m<sup>3</sup> of reactor capacity at Bavla, 230 m<sup>3</sup> at Naroda and 63 m<sup>3</sup> at Shanghai

### ● Manufacturing Sites

- Europe
- India
- China
- Saudi Arabia

### ● 9 Plants

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

- Presence across 3 Continents
  - United States
  - Europe
  - Asia

# Corporate Information

## BOARD OF DIRECTORS

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

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

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

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

**Mr. Sanjay S. Majmudar**  
Director (DIN 00091305)

**Mr. Ashok C. Gandhi**  
Director (DIN 00022507)

**Mr. Subir Kumar Das**  
Director (DIN 02237356)

**Mr. Rajendra S. Shah**  
Director (DIN 00061922)

## BOARD COMMITTEES

### AUDIT COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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

### STAKEHOLDER RELATIONSHIP COMMITTEE

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

## MANAGEMENT COMMITTEE

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

## COMPANY SECRETARY

**Mr. Tushar D. Shah**

## STATUTORY AUDITORS

**V. D. Shukla & Co.**  
Chartered Accountants  
22, Aakruti Society, Satellite Road,  
Ahmedabad – 380 015.

## REGISTRAR & TRANSFER AGENT

**LINK INTIME INDIA PVT. LTD.**  
C-13, Pannalal Silk Mills Compound,  
LBS Marg,  
Bhandup (West),  
Mumbai – 400 078.  
Tel. No.: 91-22-2596 3838  
Fax No.: 91-22-2594 6969  
Email: mumbai@linkintime.co.in

## REGISTERED OFFICE

Bhadr-Raj Chambers,  
Swastik Cross Road,  
Navrangpura,  
Ahmedabad – 380 099.  
Tel. No.: 91-79-2644 3053, 2644 5807  
Fax No.: 91-79-2642 0198  
Email: dishman@dishmangroup.com  
Website: www.dishmangroup.com

## WORKS

Phase-IV, 1216/20, GIDC Estate,  
Naroda, Ahmedabad - 382 330.  
(also other plots in Phase-1 and IV)  
Survey No. 47, Paiki Sub Plot No. 1,  
Village – Lodariyal,  
Taluka Sanand,  
District - Ahmedabad - 382 220.  
(Also various other plots)

## BANKERS

- State Bank of India
- Bank of Baroda
- Corporation Bank
- Bank of India
- Dena Bank

## CIN NO.

L24230GJ1983PLC006329

## SUBSIDIARY COMPANIES

- Dishman Europe Ltd.
- Dishman USA. Inc.
- Dishman International Trading (Shanghai) Co. Ltd.
- Dishman Switzerland Ltd.
- Dishman Pharma Solutions AG
- CARBOGEN AMCIS (Shanghai) Co. Ltd.
- CARBOGEN AMCIS AG
- CARBOGEN AMCIS LTD. (U. K.)
- Innovative Ozone Services Inc. (IO3S)
- Dishman Netherlands B.V.
- Cohecic Fine Chemicals B.V. (Formerly known as Dishman Holland B.V.)
- Dishman Japan Ltd.
- Carbogen Amcis (India) Ltd.
- Dishman Australasia Pty. Ltd.
- Dishman Care Ltd.
- Dishman Middle East (FZE)
- CARBOGEN AMCIS SAS, France
- Shanghai Yiqian International Trade Co. Ltd.

## JOINT VENTURE COMPANIES

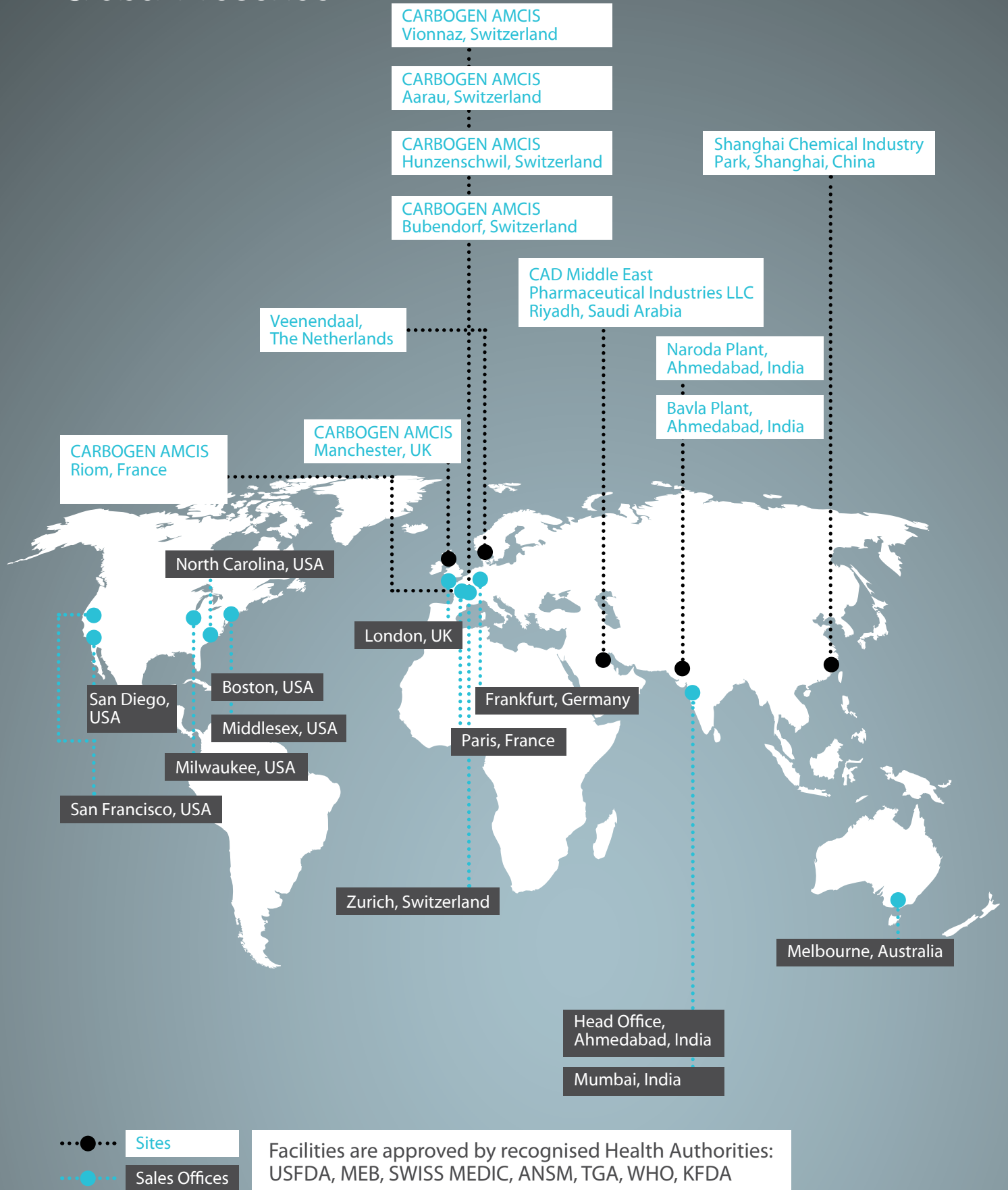
- Schutz Dishman Biotech Ltd.

## ASSOCIATE COMPANY

- Bhadra Raj Holding Pvt. Ltd.



# Global Presence



# Our Manufacturing Facilities



Research & Development is our core strength. Our research is the foundation upon which our strategy of manufacturing and marketing of Bulk Drugs, Intermediates, Fine Chemicals, Quats, and Specialty Chemicals stands.



## BAVLA, GUJARAT, INDIA – UNIT 1

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



## BAVLA, GUJARAT, INDIA – UNIT 6

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



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

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



## BAVLA, GUJARAT, INDIA – UNIT 8

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



## BAVLA, GUJARAT, INDIA – UNIT 9

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



### BAVLA, GUJARAT, INDIA – UNIT 2

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



### BAVLA, GUJARAT, INDIA – UNIT 3

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



### BAVLA, GUJARAT, INDIA – UNIT 4

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



### BAVLA, GUJARAT, INDIA – UNIT 5

- ◆ Intermediate Manufacturing facility
- ◆ Solvent distillation facility



### BAVLA, GUJARAT, INDIA – UNIT 10

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



### BAVLA, GUJARAT, INDIA – UNIT 13

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



### NARODA, GUJARAT, INDIA

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



### PILOT PLANT, GUJARAT, INDIA

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

## Our Manufacturing Facilities



Our development strategies are designed to meet diverse customer expectations that vary from project to project.



### CARBOGEN AMCIS AG, SITE BUBENDORF & HEADQUARTER, SWITZERLAND

- ◆ Lab, administration and containment facilities with 190 employees
- ◆ Clean room dedicated for Antibody Drug Conjugates
- ◆ Multi-purpose clean room dedicated for purification of high-potent by HPLC process
- ◆ Process optimisation and supply of late-phase and commercial APIs
- ◆ Inspected by FDA, SwissMedic and Korean Health Authority MFDS
- ◆ Holds accreditation as foreign manufacturer for Japan



### CARBOGEN AMCIS AG, SITE VIONNAZ, SWITZERLAND

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



### CARBOGEN AMCIS LTD., SITE MANCHESTER, UK

- ◆ Specialises in process research and nonGMP custom synthesis of pharmaceutical intermediates with 40 employees
- ◆ Larger capacity (up to 4,500 L) facilitates production of early-phase APIs and large-scale intermediates



### CARBOGEN AMCIS SAS, SITE RIOM, FRANCE

- ◆ 10,000 m<sup>2</sup> site with 21 highly-qualified specialists
- ◆ Primary focus on formulation of new products and aseptic drug products of preclinical and clinical batches of injectables in liquid or freeze-dried form
- ◆ 400 m<sup>2</sup> production area with clean rooms and separate laboratories for formulation development and quality control (micro-biological and analytical controls)
- ◆ Inspected by French Health Authority ANSM



### CARBOGEN AMCIS AG, SITE AARAU, SWITZERLAND

- ◆ Primary focus on process research and early-phase API supply with 90 employees
- ◆ Primary location for chromatography and product-handling facilities
- ◆ SwissMedic inspected



### CARBOGEN AMCIS AG, SITE HUNZENSCHWIL, SWITZERLAND

- ◆ Primary location for ICH stability studies and solid state services with 40 employees
- ◆ Inspected by the SwissMedic and Korean Health Authority MFDS



### SCHUTZ DISHMAN BIOTECH

- ◆ Chemical Area focussing on Chlorhexidine Base; Chlorhexidine Gluconate Solution; Chlorhexidine Hydrochloride; Chlorhexidine Acetate; Flupirtine Maleate; Proguanil Hydrochloride
- ◆ Class 100,000 finishing area
- ◆ Chilled water, Diesel Generator, Air compressor
- ◆ Dedicated QC: HPLC, GC, pH, KF



### DISHMAN NETHERLANDS B.V., VEENENDAAL, THE NETHERLANDS

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



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

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

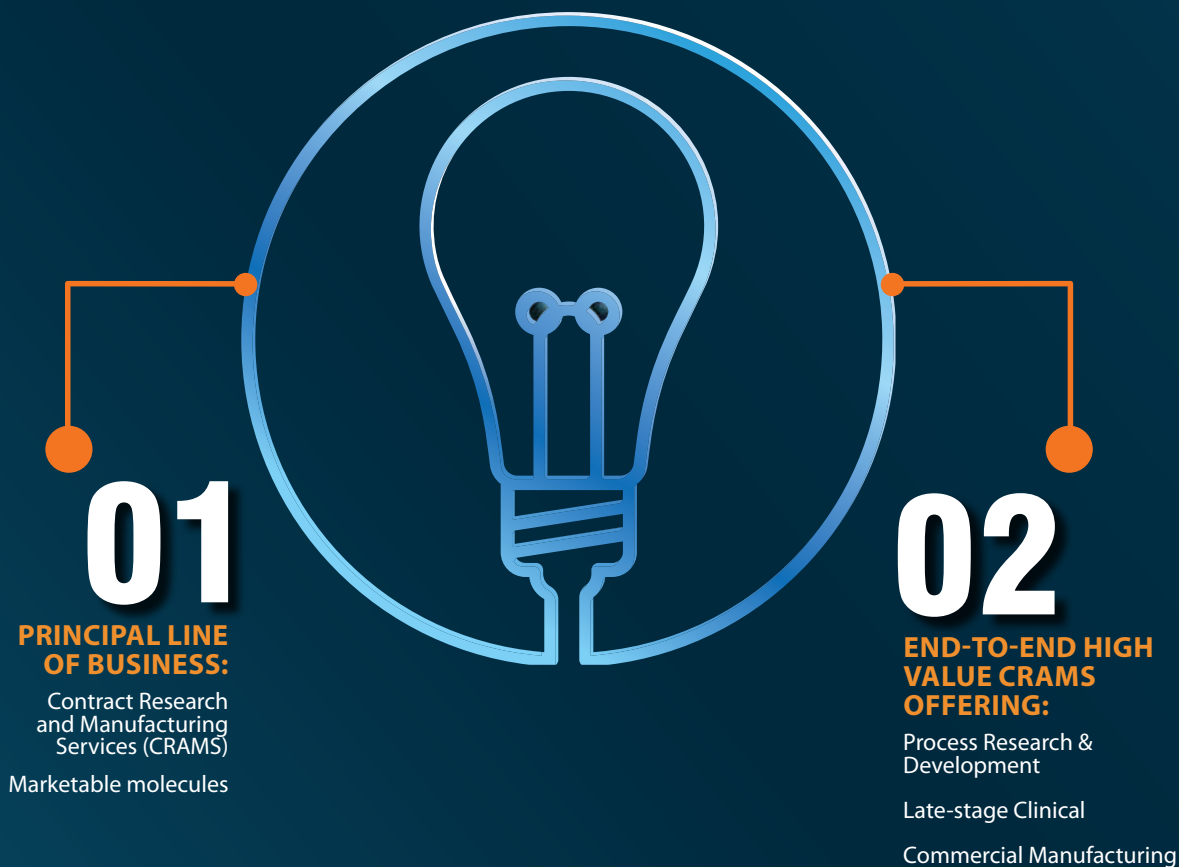
# Our Business Verticals

## 1. CRAMS

We are an integrated CRAMS player with strong capabilities across the value chain. The CRAMS unit manufactures drug quantities required for conducting clinical trials. Our wholly owned subsidiary CARBOGEN AMCIS AG, located in Switzerland, is spearheading our R&D efforts.

Once the innovative molecules are approved, the unit explores the possibility of possible large-scale commercial supply tie-ups. Through this CRAMS business, we provide assistance to drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process. CRAMS

is our largest business segment which caters to the requirements of biotech to large pharmaceutical companies. We develop intermediates/APIs based on our customer's request. This business involves significant R&D efforts to develop the products and processes.



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## A. CARBOGEN AMCIS

CARBOGEN AMCIS AG is our Switzerland subsidiary with capabilities to supply high potency molecules targeting niche therapies such as oncology. Our service offerings range from chemical development to niche scale commercial manufacture and supply of APIs. We cater to the early stage chemical process and development requirements of biotech and pharmaceutical companies. The operations running under this brand are located in Switzerland, France, UK and China.

CARBOGEN AMCIS has a strong presence in the United States and Europe. We leverage our client relationships to penetrate into more profitable CRAMS markets. CARBOGEN AMCIS is the Group's method of being close to its customers and being involved with them from the very early stages of research and manufacturing trials. As a front-end interface for our US and European customers, we engage by fully supporting their entire drug development cycle – from initial research to early-stage small-scale commercial production.



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We manufacture highly-potent, high value products and produce material for pre-clinical testing, clinical trials and commercial use for the oncology market. Besides strong research capabilities, we possess capabilities in scale-up, development and commercial manufacture of highly potent compounds. We are also engaged in process research and development for APIs.

## B. DISHMAN INDIA

Our high-value and Asian cost-base CRAMS offerings, through Dishman India, span right from process research and development to late-stage clinical and commercial manufacturing. We have capabilities across the entire CRAMS value chain, strong chemistry skills and small to large scale, multipurpose manufacturing capacities. Our manufacturing plants at Bavla include Asia's largest HiPo API facility. This enables us gain from the high-margin opportunity in High Potency Services driven by growing research and development work taking place globally in the oncology therapeutics segment.



CRAMS is our largest business segment which caters to the requirements of biotech to large pharmaceutical companies. We develop intermediates/APIs based on our customer's request. This business involves significant R&D efforts to develop the products and processes.

Our Business Verticals



**CARBOGEN AMCIS AG, SITE  
VIONNAZ, SWITZERLAND**



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## 2. MARKETABLE MOLECULES

### A. SPECIALTY CHEMICALS (QUATS)

Dishman Specialty Chemicals manufactures and supplies high-quality intermediates, fine chemicals, and various products for pharmaceutical, cosmetic and related industries. We are the global leaders in the specialty chemicals segment and a leading manufacturer of Phase Transfer Catalysts. We possess domain expertise in solids handling technology, which has helped us expand our offerings to include ammonium and phosphonium high-purity solid Quats, Phosphoranes and Wittig reagents. Our products find applications as phase transfer catalysts, personal care ingredients, fine chemicals, pharma intermediates and disinfectants.

### B. VITAMINS & CHEMICALS

Dishman Vitamins & Chemicals manufactures and supplies a range of Vitamin D2, Vitamin D3 and Vitamin D analogues. Our cholesterol facility at Veenendaal, The Netherlands, is adding further value to our Vitamin D3 business. We manufacture cholesterol and lanolin related products for pharmaceutical, cosmetic and related markets. We are the market leaders in the advanced regulated sector of the Vitamin D space.

### C. DISINFECTANTS

Our Disinfectants Division has been created to offer a range of Antiseptics and Disinfectants for application in healthcare and related industries. We have a healthy portfolio of 'next generation' innovative antiseptic and disinfectant formulations. Our product pipeline specialises in high quality, cost-effective, proven anti-microbial products based on Chlorhexidine Gluconate (CHG) and Octenidine dihydrochloride (OCT). We shall provide specialist products for environmental decontamination based on hydrogen peroxide disinfectant. Our range of products include bulk drugs, phase transfer catalyst and fine chemicals.



We possess domain expertise in solids handling technology, which has helped us expand our offerings to include ammonium and phosphonium high-purity solid Quats, Phosphoranes and Wittig reagents. Our products find applications as phase transfer catalysts, personal care ingredients, fine chemicals, pharma intermediates and disinfectants.



# Chairman's Message



**Janmejy R. Vyas**  
Chairman & Managing Director

Dear Shareholders,

I am happy to communicate with you the progress made by your company during the year FY2015. We had our share of achievements, opportunities and challenges. Overall, it was a satisfying year as our new leadership registered some key achievements, driving the business further with their strategic thinking and extensive experience. There has been an element of positive restructuring at our Bavla facility in Ahmedabad. Having reorganised departments, we are now focussed on getting our delivery right the first time to customers. And we are already doing a good job in this area.

## ACROSS THE VALUE CHAIN

Through the "ONE COMPANY, TWO BRANDS" strategy, we delivered complex solutions suiting the diverse needs of our global customers. We have reiterated our position as a truly global and end-to-end integrated CRAMS player and a preferred outsourcing partner. Through a wide range of research competencies and manufacturing capacities, we specialise in servicing customers across the key advanced markets of U.S., Europe and Asia.

CARBOGEN AMCIS continues to be the front-end interface of the Company, engaging customers from the early stages of research and clinical trials. We continue to hand hold our customers through their entire drug development cycle. On the other hand, our customer derive further value from Dishman India, by seamlessly getting scaled up towards the Asian cost base, large-scale commercial production through our manufacturing capabilities in India and China. We take comfort from CARBOGEN AMCIS and Dishman's ability to secure large-ticket deals from major companies.

## OUR FINANCIAL PERFORMANCE

We achieved consolidated revenues of Rs 1,575.2 crore, a rise of 13.7% over ₹1,385.3 crore in the previous year. Our CRAMS business contributed ₹ 1,089.41 crore or 70% to the total revenue, whereas ₹ 470.93 crore or 30% was contributed by the Marketable Molecules business. We recorded a higher EBITDA of ₹ 399.67 crore vis-à-vis ₹ 357 crore earlier. Profit After Tax was recorded at ₹ 119.8 crore, compared to ₹ 109.27 crore earlier.

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## KEY DEVELOPMENTS

Our manufacturing facilities outside of India also recorded a decent year. CARBOGEN AMCIS recorded a satisfactory performance with a strong pipeline as it reported a top line of \$119 million, compared with \$100 million in the year before. At 14-16%, the EBITDA margin was 300 points higher. Moving forward, we hope to do even better in FY2016 with an EBITDA target of 17%. Our Vitamin D3 facility at Netherlands, too, recorded significantly higher profits after its renovation. We are looking to grow the Vitamin D analogue part of the business. At Netherlands, we are focussing on enhancing our competitiveness in securing high value customer orders, going forward.

Another key achievement has been to operationalise our disinfectants business – Dishman Care. We hope to leverage on this new vertical in the CRAMS space. Our product pipeline specialises in high-quality and cost-effective, proven anti-microbial products based on Chlorhexidine Gluconate (CHG) and Octenidine Dihydrochloride (OCT). We also aim to provide specialist products for environmental decontamination based on hydrogen peroxide disinfectant. This will be a key growth driver, considering some interesting opportunities existing in the key markets of Europe and UK.

## MOVING FORWARD

Going ahead, our key emphasis will continue to be on efficient capacity utilisation of our assets by way of an enhanced product mix through a keen focus on niche and complex products, resulting into better operating margins.

We are pleased to announce the appointment of Mark Griffiths, our Global CEO, as our Board Member. With his guidance, we are committed to adhere to our core values of credibility and accountability to serve our stakeholders with passion and commitment. I am also grateful to our Board of Directors for their firm support and guidance.



Our customers derive further value from Dishman India, by seamlessly getting scaled up towards the Asian cost base, large-scale commercial production through our manufacturing capabilities in India and China.

On behalf of the Board of Directors, I would like to take this opportunity to thank all our shareholders for the trust and cooperation extended in making Dishman Pharmaceuticals and Chemicals Limited a leading pharmaceutical Company. I would also like to thank our leadership team for steering the Company ahead.

My best wishes to all of you.

Sincerely,

**Janmejay R. Vyas**  
*Chairman & Managing Director*

# Managing Director's Message



**Arpit Vyas**  
*Managing Director*

Dear Shareholders,

During the year, we remained focussed on both our short and long-term goals to deliver sustained improvement in our business performance. There was a clear strategy to secure leadership in key areas and emerge as a leading player in identified geographies. With consolidation of our operations, we continued to cross-sell multiple broad-based capabilities across geographies and leverage fresh opportunities.

## CUSTOMER DIVERSIFICATION

We consciously widened our customer base for our India CRAMS business. From being largely dependent on large-scale and mid-sized pharmaceutical innovators, our strategic focus was to diversify our customer base during the year. We successfully increased our engagement with R&D driven mid-sized biotech and large-scale pharmaceutical companies in Europe and North America, where the business potential is significant. Our strategy is to have a wider base of customers to better our margins and lower our risks. Besides de-risking our portfolio, this strategy is enabling us to gain better order predictability and also use our capacities more efficiently.

## STRONG ORDER PIPELINE

As of August 2015, we are currently sitting on around \$80 million orders for CARBOGEN AMCIS to be executed mostly within FY2016. Our India order book stands at \$50 million comprising of profitable and complex chemistry from larger customers to be executed in the current financial year. Adding the order book of all our other manufacturing facilities, the Group has total pipeline of orders exceeding \$150 million for FY2016. The intermediaries for orders will be manufactured at the China facility to de-risk manufacturing at a single location, and the final APIs will be mostly be exported from India.



Our focus during the year has been to get projects out of Switzerland into the Unit-9 (HiPo Plant) of our Bavla facility at Ahmedabad.

### UNIT 9 (HIPO FACILITY)

Our focus during the year has been to get projects out of Switzerland into the Unit-9 (HiPo Plant) of our Bavla facility at Ahmedabad. Currently, the HiPo unit is well utilised, moving close to full capacity from 2 of possible 5 cells fitted. Encouraged by customer response, we are evaluating options to add capacity at the unit. We envisage making incremental investment in this unit for debottlenecking and for making line enhancements. A key achievement of the year has been adding a few mid-sized biotech clients under our belt. We are currently in the process of doing development and validation manufacturing for these clients. We're making good inroads into high-margin, complex products serving the oncology therapeutic segment, which bodes well for our HiPo business.

### PRODUCTION AT SHANGHAI

FY2015 also witnessed the start of production at the Shanghai Chemical Industry Park in China, with 4 key projects under production. Our first big order has already gone out of the factory and we expect the Chinese facility to be continuously operational hereon. We continue to bring more projects into this facility, supported by our competitive advantage of a combination of a Global management team and Chinese cost base. By FY2016, the unit will be GMP ready, presenting a strong opportunity for CARBOGEN AMCIS to extend its capacity. On a month-on-month basis, the Shanghai unit is already breaking even on an operational basis.

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We plan to utilise our China facility to produce high value intermediates. With these key strategies and competitive advantages, we aim at earning incremental revenues, improving profitability and bettering our return ratios. Furthermore, as we utilise our free cash flows to retire long-term debt, our return ratios will further improve. The strategy extracts maximum advantage of our capabilities from pre-clinical to commercial supply in the CRAMS arena.

In conclusion, I would like to express my sincere gratitude to you, our shareholders, as well as to customers, suppliers, employees, bankers, auditors and other stakeholders for their unwavering support in both good and difficult times.

As we collectively march ahead, I would like to assure you that we will remain committed to building and increasing the value of our shareholders' wealth in the coming years.

With warm regards,

**Arpit Vyas**  
*Managing Director*

# Global CEO's Message



**Mark Griffiths**  
Global Chief Executive Officer  
Member of the Board

Dear Friends,

FY2015 will be remembered for being an eventful and buoyant year. We progressed on our growth journey by developing strong capabilities across the CRAMS value chain, delivering complex end-to-end research and manufacturing solutions to our global customers. We focussed on our strategic priorities to enhance the efficiency and profitability of our operations. With several projects currently in production, we have come to be recognised as a preferred global out-sourcing partner in this segment. Going forward, our CRAMS business will continue to be the growth driver for our Company.

## YEAR IN BRIEF

During the year, our key challenge has been to drive the value chain between CARBOGEN AMCIS and Dishman India. We continued to support our customers through the life cycle management of our products. We hand-held our global customers through the early stages of product development and pilot to small scale commercial production. Our production facilities in India and China enabled our customers to scale up their volumes economically and reliably.

We continued to drive profitability by capturing high-value products such as HiPo, anti-body conjugates, challenging chemistry, in addition to having a key focus on "complex and difficult to make drugs". Our aim is to consolidate our operations and manage critical functions across the Group. Our key objective is to utilise all our assets to the best advantage of our customers.

## THREE-YEAR HORIZON

We are aiming to make our hi-potency business a critical element for growth. Towards this aim, we continued to develop the HiPo market where we have established a good reputation. There is substantial work happening in the business of anti-body conjugates. In our oncology portfolio, we are proving our mettle in producing oncology drugs that are low in volume, high in value and complex in chemistry – a business with significant entry barriers. This will be among our key future growth drivers. The positive impact of this development will show its face in FY2017.

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## MOVING FORWARD

With a strong order book at the consolidated group level, the outlook for FY2016 is healthy. Our key business strategy will be aimed at enhancing our profitability, moving towards a stronger balance sheet. Going ahead, we will continue to leverage our fundamental strengths through continued innovation and excellence in development and commercialisation. Also, we are significantly enhancing the focus on generics APIs in a bid to stabilise business and increase utilisation of spare capacities.

We will continue to capitalise on increased opportunities through unparalleled capabilities in HiPo towards scaled-up commercial manufacture of highly potent compounds and vitamins. In the year ahead, we aim to better utilise our capacities and sharpen our capability to make use of existing manufacturing facilities as multi-purpose blocks. This will result in efficient capacity realisation, improved order-book conversion and greater stability to our growth.

I thank the Dishman Board for providing me the opportunity to lead the Company in a dynamic industry. We are confident to continue our journey of value creation over the long run.

Regards,

**Mark Griffiths**

*Global Chief Executive Officer*

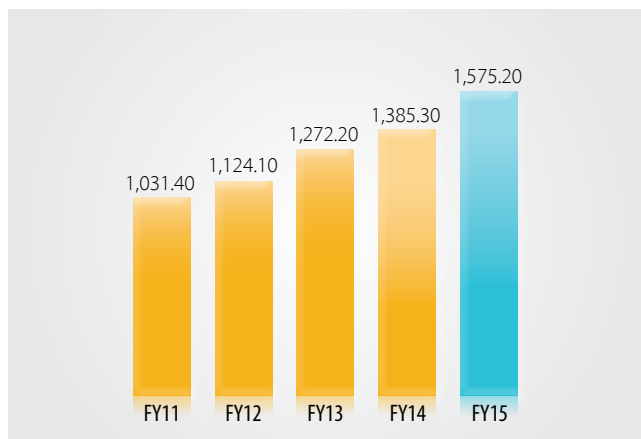
*Member of the Board*



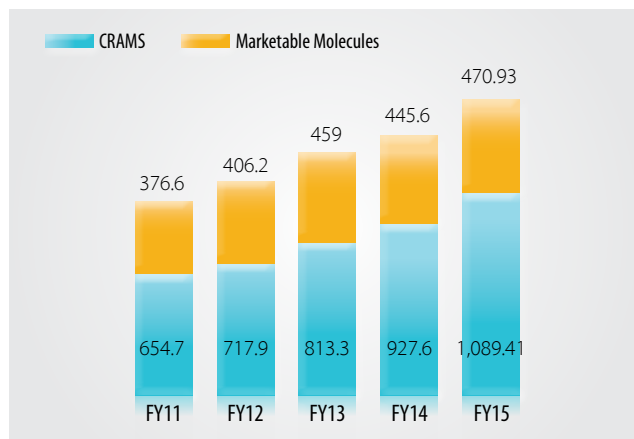
We continued to drive profitability by capturing high value products such as HiPo, anti-body conjugates, challenging chemistry, in addition to having a key focus on “complex and difficult to make drugs”.

# Financial Highlights

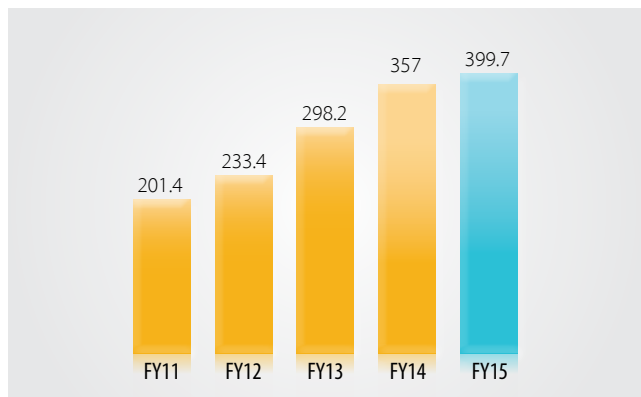
## REVENUES (₹ Crore)



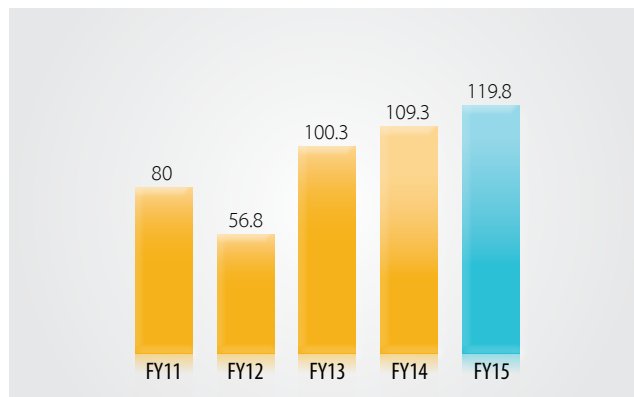
## REVENUE BREAK-UP (₹ Crore)



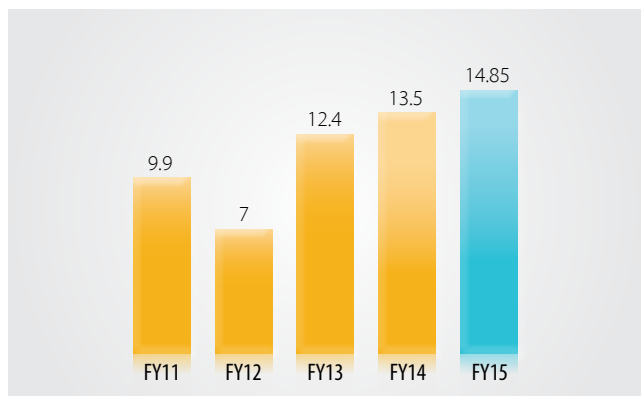
## EBITDA (₹ Crore)



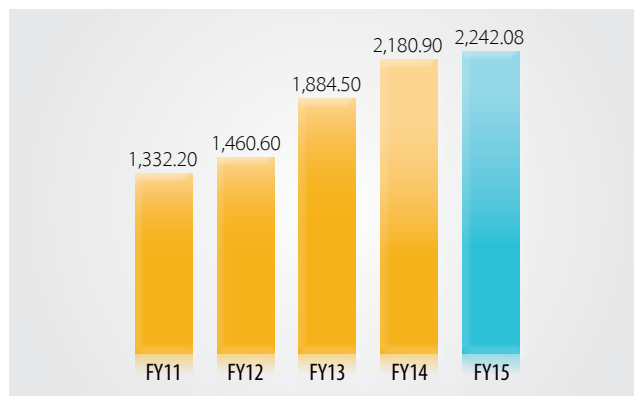
## PAT (₹ Crore)



## EARNINGS PER SHARE (₹)



## GROSS BLOCK (₹ Crore)





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Revenues grew by **13.71%** to  
₹ 1,575.20 crore

EBITDA grew by **11.95%** to  
₹ 399.67 crore

PAT grew by **9.65%** to  
₹ 119.81 crore

Earnings Per Share (EPS) stood at  
**₹ 14.85**  
higher by 9.68% YoY

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The Company's financial and operational performance showed a remarkable growth during FY2015. This was primarily driven by high-growth opportunities, a wider customer base and focus on segments with better margins, as we continued to consolidate our capabilities. This resulted in a YoY growth of 13.7% in Revenues, 11.95% in EBITDA and 9.65% in PAT. The CRAMS segment contributed 70% to the total turnover during the year, while Marketable Molecules contributed 30%.

# Operational Highlights



## OUR MANUFACTURING FACILITIES

### India:

- Technology transfer projects from CAAG to HiPo unit and successfully executed.
- More than 200 customer audits successfully completed.
- Successful USFDA inspection at Bavla manufacturing site

### Riom, France:

- Implementation of two brand new (PSL™) unidirectional airflow isolators (ISO-5 Grade A) completed
- Improvement of Sterility Assurance Level by validated Vapour Hydrogen Peroxyde disinfection
- Improvement of containment (DPTE-RTP transfers and BiBo HEPA filters) for HiPo Drug Product operations

- Successful Eu-GMP inspection Mid-October 2014 (ANSM = French Authorities)
- Two scopes: Chemical products (small molecules)+ biological products (large molecules)
- Renewal of Riom's GMP licence for the next 3 years: Up to 2017

### Switzerland:

- Added 4th site in Switzerland, in Vionnaz, Switzerland; this is a laboratory and small scale production facility upto category 4, possessing space for upto 14 people.
- Fully contained laboratories and small scale piloting facility for the development and manufacturing of highly potent compounds.

### Shanghai:

- Shanghai facility has been rebranded with the goal of harmonising teams and processes with the Dishman Group.

## OUR RESEARCH & DEVELOPMENT ACTIVITIES

### India:

- 150 projects under different stages of development
- 100 CRAMS projects
- 25 NCE Molecules currently under laboratory pilot scale and commercial production

### Switzerland:

- R&D staff increased from total 55 (end 2012) to 60 (end 2013) to 68 (end 2014)
- Additional site for small scale production of highly potent compounds rent and brought to operation. Site located in Vionnaz (close to lake Geneva, CH). Site is currently ramping up. Target



We added our 4<sup>th</sup> site in Switzerland, in Vionnaz. This is a laboratory and small scale production facility upto category 4, possessing space for upto 14 people.

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maximum personal is about 14 FTEs in PR&D and small scale production and QA/QC.

- Installation of additional multi-purpose room (Compartment D, BU) completed in June 2014 to enable small scale production up to 20 L (up to 0.5 kg) and prep. HPLC and Biotage purification of highly active compounds
- Installation of 2 small scale lyophilization units (one for HiPo chemistry and one for normal chemistry) allowing to isolate highly instable compounds at scale up to 200 g per batch
- Upgrade of Neuland production and solid handling to enable pilot production of category III compounds in the range of 5 to about 20 kg

#### Shanghai:

- PR&D has been reorganised. A new leader has been transferred from Europe to China to strengthen the team
- Development activities between Shanghai, India and Europe have been intensified
- Reorganisation of the factory (Headcount reduction from 72 to 62)
- Installation of a new reactor (500L glassline)
- Initiated the requalification of the site to produce GMP materials

#### Bubendorf:

- New Clean-Room has been installed to activate the ADC-(Anti-Body-Drug-Conjugates)-Business
- New Containment lab has been installed to access HiPo-lab scale-up and HiPo-chromatography capabilities

#### Neuland:

- Containment production facilities for category 3 have been expanded
- Received approval for manufacture of a drug substance for South Korean market by relevant SK authorities

#### Manchester:

- 2014-15 capacity utilisation was an all-time high in both labs and production
- 12 people employed in R&D (including 9 PhD)
- Laboratories refurbished, new fume cupboards installed to replace old ones – now 21 in total

## QUALITY CERTIFICATIONS

- GMP-Recertification Audit in Bubendorf, Aarau, Neuland site by the Swiss Authorities (RHI/SwissMedic)
- GLP-Recertification Audit in Aarau by the SwissMedic
- All Swiss Sites Prolongation of the Accreditation certificate of foreign drug manufacturer for Japan
- Received required certificates to operate the new ADC-Labs and Compartment D by the relevant Swiss authorities
- Received relevant certificates to operate Vionnaz site (GMP approval by Swiss Authorities not yet done, as audit is done post annual closing period)

# Consolidating Capabilities

# 01

Our Competitive Advantage

We are consolidating our CRAMS capabilities to capitalise on rising market opportunities

Our CRAMS business will continue to be our future growth driver. We are recognised as a preferred global outsourcing partner in this segment.



# Deriving Value by Leveraging capabilities across CRAMS Value Chain

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Our mainstay contract manufacturing business contributes over 65% to the overall revenues of the Dishman Group. We are present in the advanced markets including U.S., Europe, India, China and Japan.

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We have gained recognition as an integrated CRAMS player present along the entire value chain – right from building blocks to commercialisation and launch stage. We have broad-based capabilities across the CRAMS value chain. Our services in this segment range from process R&D and pilot supply to full-scale and commercial manufacturing from our purpose-built and dedicated facilities.

Going forward, our CRAMS business will continue to be the growth driver for our Company. With several projects currently in production, we are recognised as a preferred global outsourcing partner in this segment.

Our European operations have a deep relationship with our customers across the world. We hand-held our customers through the early stages of product development and pilot to small scale commercial production. Our production facilities in India and China enable the customers to scale up their volumes economically and reliably.

# Consolidating Capabilities

## 01 | Our Competitive Advantage

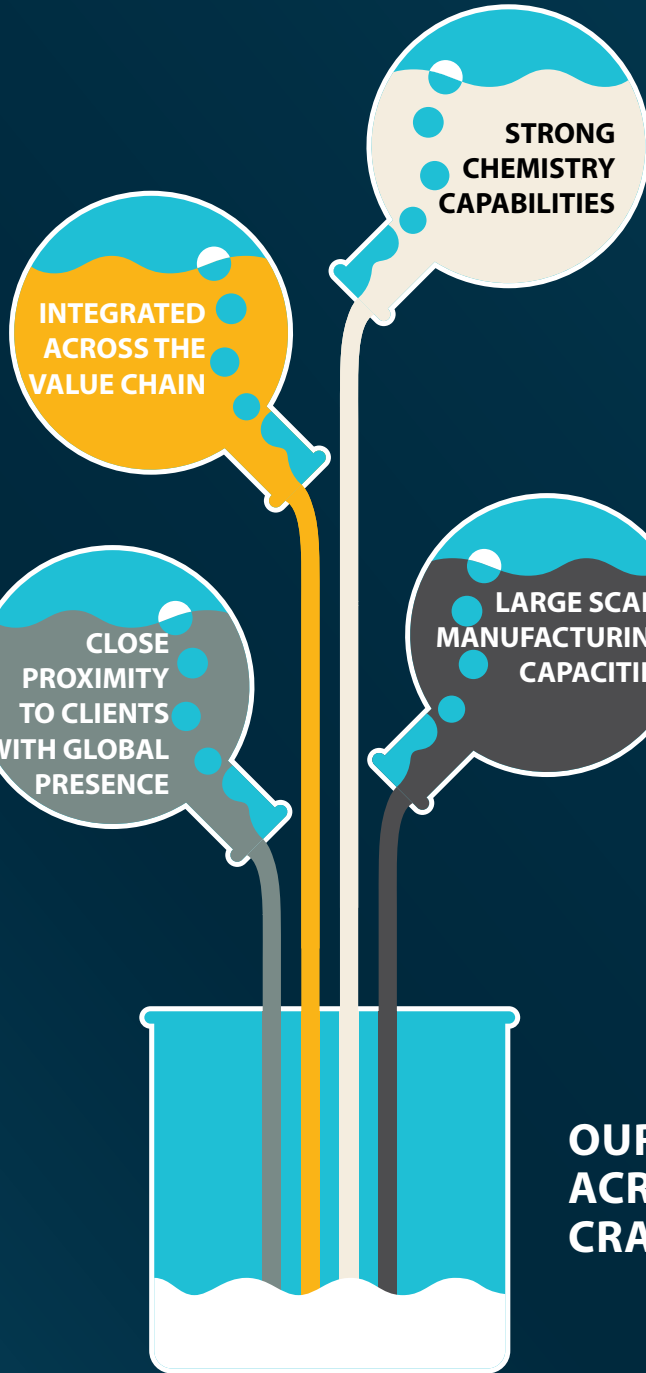
### 01

#### DRUG LIFECYCLE MANAGEMENT

Preclinical to commercial manufacturing capabilities

Ensure seamless process & technology transfer from lab to plant

Single partner for R&D, process development and commercial production



### 02

#### STRONG R&D CAPABILITIES

7,500 m2 R&D facilities, 28 R&D labs, formulation development lab, kilo lab & pilot plant all cGMP compliant

CARBOGEN AMCIS employs almost 200 chemists, 40% of whom hold a PhD in Chemistry

Dishman India employs 125 chemists, 30% of whom hold a PhD in Chemistry

### 04

#### LARGE SCALE MANUFACTURING CAPACITY

25 multi-purpose and 1 dedicated USFDA inspected production facilities

750 m3 of reactor capacity in Bavla, 230 m3 in Naroda and 63 m3 in Shanghai

Large capacities provide competitive edge for winning long-term contracts

### 03

#### CLOSE PROXIMITY TO CLIENTS

Local representation and support in all major markets

Front end via CARBOGEN AMCIS with access to more than 100 established customer relationships

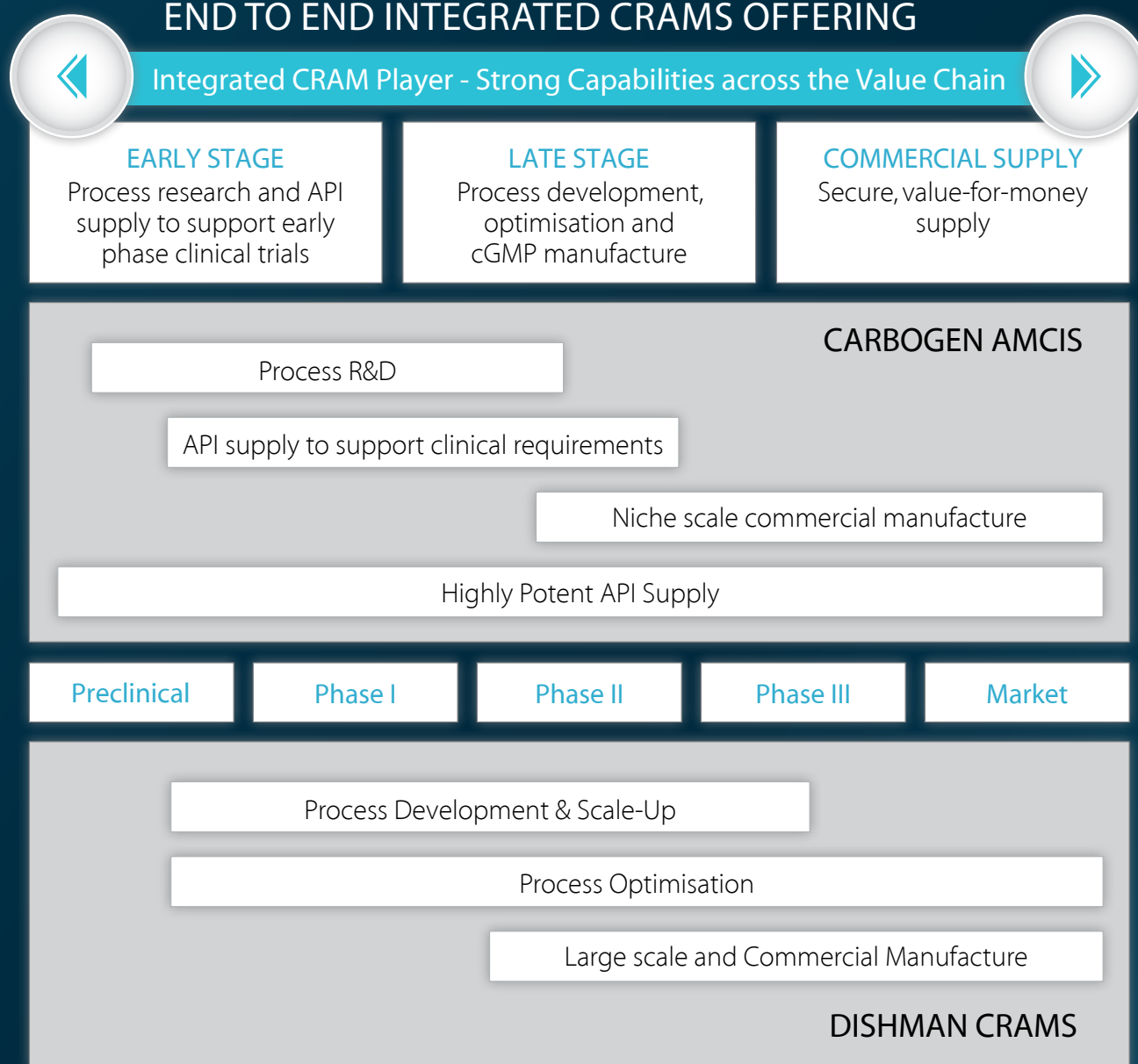
Trust and confidence of customers for entire drug life-cycle engagement

## OUR PRESENCE ACROSS THE CRAMS LIFECYCLE

## OUR SKILL SETS IN CRAMS

- A large dedicated multiple shift R&D operations
- 25 facilities for APIs and Intermediates at Bavla, Naroda, Manchester, Switzerland, Netherlands and Shanghai
- Over 1,000 m<sup>3</sup> dedicated reactor capacity in India and Shanghai

## END TO END INTEGRATED CRAMS OFFERING



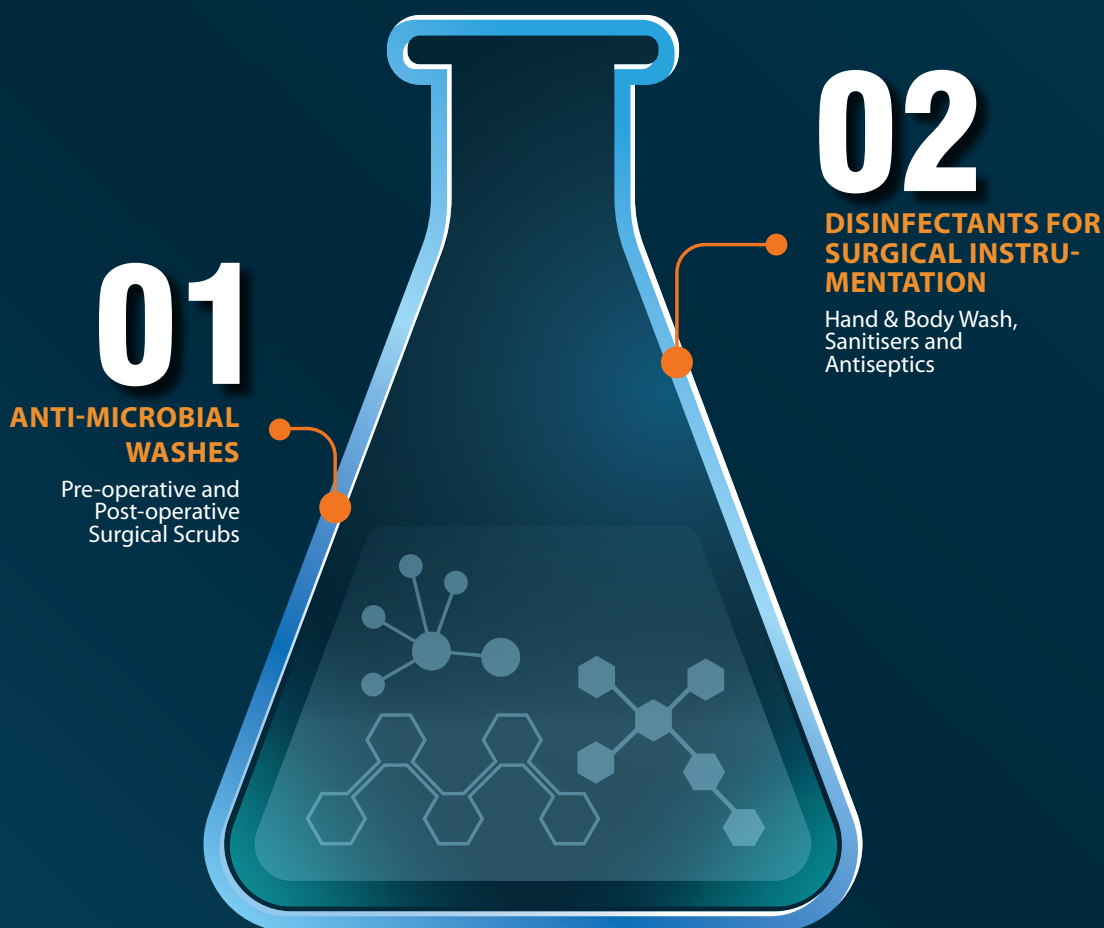
# Building for the Future

## 02 | Our Competitive Advantage

We are making strategic efforts to add innovative products to our portfolio

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We have a deep and healthy portfolio of 'next generation' innovative antiseptics and disinfectant formulations for application in healthcare and related industries.





# Focussed on Value Delivery through our Disinfectants Business

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Our Disinfectants division, "Dishman Care", offers a range of Antiseptics and Disinfectants for application in healthcare and related industries. Our range of products includes bulk drugs, phase transfer catalyst and fine chemicals.

We have a deep and healthy portfolio of 'next generation' innovative antiseptics and disinfectant formulations for application in healthcare and related industries. Our Chlorhexidine Gluconate (CHG) and Octenidine dihydrochloride (OCT), produced and launched during the year, have witnessed good market response. We are currently reviewing a number of significant opportunities with key customers.

Our products are designed to assist healthcare facilities and clinicians in our fight against Healthcare Associated Infections (HCAIs). These products are standardised and stabilised for physical, chemical and microbial properties. These have been fully documented as per international and local market regulatory requirements.

At Dishman Care, the product range is cost competitive, technically advanced and will be available in innovative user-friendly packs. It offers superior performance over other leading brands for Minimum Inhibitory Concentration.



Our product range is cost competitive, technically advanced and will be available in innovative user-friendly packs. It offers superior performance over other leading brands for Minimum Inhibitory Concentration.

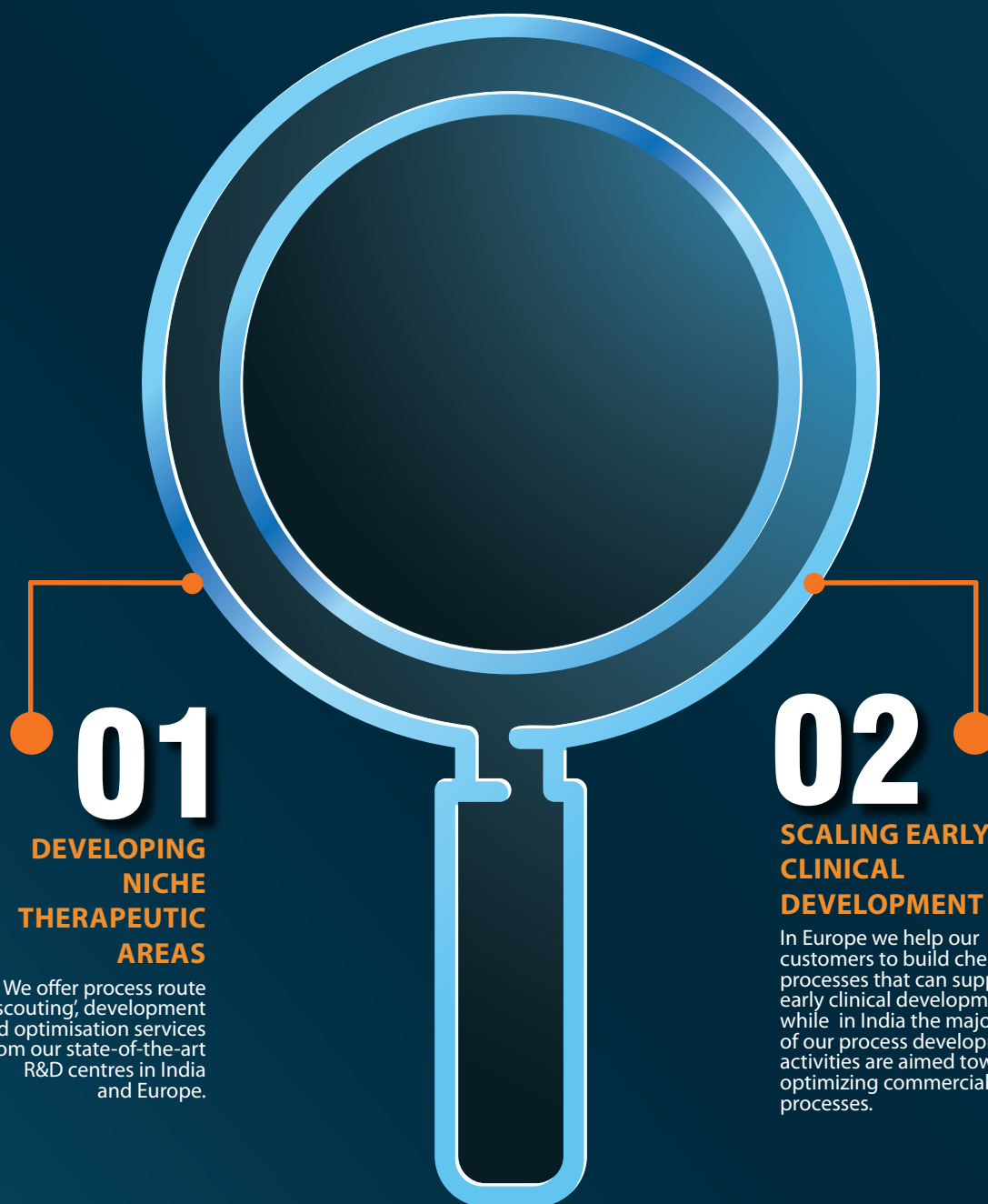
# Committed to Quality

## 03 | Our Competitive Advantage

We provide innovative development and manufacturing excellence

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We offer R&D services on a global scale with a specialisation in development processes that are truly scalable to commercialisation.



# Building Significant Capabilities in Research & Development

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In the Generic API segment, we are focusing on new and niche therapeutic areas in the segment of generic APIs. For developmental activities, our research scientists are well equipped with access to crucial online databases warehousing all types of information requirement.

We offer process route 'scouting', development and optimisation services from our state-of-the-art R&D centres in India and Europe. These capabilities are backed by staff with broad and deep experiences in all aspects of synthetic chemistry. Our scientists work in well-equipped laboratories, with a world class analytical set-up focused on analytical development to support early phase clinical programmes, process validation and in-market commercial supply. Our development strategies are designed to meet diverse customer expectations that vary from project to project. This is a key skill set when working with the extensive range of clients in our portfolio.

In Europe we help our customers to build chemical processes that can support early clinical development, while in India the majority of our process development activities are aimed towards optimizing commercial processes. Our prime objective is to make these processes economically and environmentally viable. During the period of development, safety and efficiency parameters of these processes are most critical. Following our new strategy we are utilizing our extensive R&D capabilities across the globe and introducing small to mid-size biopharma clients to our extensive capabilities at our India R&D centre.

The method of building quality into early stage chemical development is a growing regulatory and client need and is captured in the phrase 'Quality By Design' or QBD. The Dishman Group has adopted these principles to further support our customers.

In Europe we have over 300 NCE projects being handled each year and over 30 in late stage development. Eight of these are in late stage phase 3 trials and there is an expectation that at least four of these will progress to commercial drugs in the next 12 to 18 months.

Currently in India, there are 25 NCE Molecules under the laboratory to pilot scale production. Some of these are also at the commercial scale owing to the high-volume requirement to supply material for multiple clinical trials for various indications.

In the Generic API segment, we are focusing on new and niche therapeutic areas in the segment of generic APIs. For developmental activities, our research scientists are well equipped with access to crucial online databases warehousing all types of information requirement.

Our focus in the mid-term is to continue to utilize our R&D assets across the globe to support both transfer of projects out of our European facilities to India and to continue our early success in FY2014-15 in bringing NCEs from small to mid-size biopharma to India. To this end, the Group has invested great efforts in strengthening its project management staff and procedures to enable seamless transfer from either our European facilities or directly from our customers.

# Board of Directors



**Shri Janmejy R. Vyas**  
*Chairman & Managing Director*



**Mrs. Dehooti J. Vyas**  
*Whole time Director*



**Shri Arpit J. Vyas**  
*Managing Director & CFO*



**Mr. Mark Griffiths**  
*Director & Global CEO*



**Shri Sanjay S. Majmudar**  
*Director*



**Shri Ashok C. Gandhi**  
*Director*



**Shri Rajendra S. Shah**  
*Director*



**Shri Subir Kumar Das**  
*Director*

## **Mr. Janmejy R. Vyas**

*Chairman & Managing Director*

Mr. Vyas promoted the parent company Dishman Pharmaceuticals and Chemicals Ltd in 1983 with 18 subsidiaries worldwide. He heads the R&D division since 28 years and is also engaged in marketing of in-house technologies and products, research and production capabilities domestically and internationally. He has been managing marketing and globalization activities since 30 years and has successfully negotiated several contract research proposals with clients. He has entered into a long-term manufacturing and supply contract with several companies in Japan, USA and Europe. In 1987, he set up the Naroda facility, and later in 1996, initiated the expansion of Bavla facility. His emphasis on quality and adherence to international manufacturing standards ensured the Bavla facility has been set up and developed as per international standards. In the recent past, he has been engaged in acquisition of several research-oriented companies, including CARBOGEN AMCIS and Vitamin D business in Netherlands.

## **Mrs. Dehooti J. Vyas**

*Whole-time Director*

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

## **Mr. Arpit J. Vyas**

*Managing Director*

Mr. Vyas has completed his Chemical Engineering degree from the University of Aston, Birmingham. He has gained a rich experience in the field of Marketing. He was first appointed as the Additional Director of the Company, and thereafter as the Whole-time Director since 1st June, 2009. He has been extremely instrumental in the strategic decision-making processes and Marketing Policies and the overall operation of the Company's plants worldwide. He is completely in-charge of the Disinfectants division (Dishman Care) and the Naroda plant at Gujarat. He also looks after the day-to day affairs of the Bavla plant.

## **Mr. Mark Griffiths**

*Director*

Mr. Griffiths holds a Master's Degree in Science (Mechanical Engineering) from the University of Bristol. He has extensive background within the Pharma industry and has strong leadership skills. He has more than 31 years of experience in Strategy, Business Operation, Facility & Plant Engineering Design for pharmaceutical and chemical plants. Before joining the Dishman Group as Global CEO, he was the co-founder and joint owner of COSAM Developments Ltd., a multi-discipline pharmaceutical consultancy firm. He has been inducted on the Board from August 2014.

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**Mr. Sanjay S. Majumdar**

Director

Mr. Majumdar has a rich experience of over 26 years as a Practicing Chartered Accountant. He is the Proprietor of the firm M/s. Sanjay Majumdar and Associates and also a Partner with M/s. Parikh & Majumdar. He has been the Chairman of the Editorial Committee of the Ahmedabad Chartered Accountants Association Journal in 1994-95. He has also been a Chairman of the NRRCC Committee of the Chartered Accountants Association, Ahmedabad during 2000-01 and 2002-03. He has gained extensive experience in the areas of Finance, Corporate Law, Direct Tax and Auditing & Accounting.

**Mr. Ashok C. Gandhi**

Director

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

**Mr. Rajendra S. Shah**

Director

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

**Mr. Subir Kumar Das**

Director

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

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## Leadership Team

### Global Team

**Mr. Mark Griffiths**

Global CEO

**Mr. Jason Bertola**

VP - Business Development & Strategy, Dishman USA

**Mr. Alan Fischer**

Global Chief Information Officer

**Ms. Lizanne Muller**

VP Corporate Compliance and Governance,  
Dishman Europe

**Mr. Pascal Villemagne**

VP - Commercial,  
Dishman Europe and CARBOGEN AMCIS AG

**Mr. Martin Schneider**

Global Chief Quality Officer

### India Team

**Mr. Bharat Padia,**

Executive Director

**Mr. Mark Ipema,**

COO

**Ms. Himani S. Dhotre,**

Sr.VP (R & D)

**Mr. Harshil Dalal,**

Sr.VP Finance & Accounts

**Mr. Vipin C. Vishnoi**

Sr.VP (Safety, Health & Environment)

**Mr. Stephen F. Coelho**

VP (Exim)

**Mr. Jayesh A. Shah**

VP (Production)

**Mr. Amish S. Parikh**

VP (IT & Communication)

**Mr. Tushar D. Shah**

Company Secretary (Legal & Secretarial)

# Management Discussion & Analysis



Growth for emerging markets is projected to remain largely stable at 4.3% in 2015 and will increase to 4.7% in 2016, still at a weaker pace as per the forecast in 2014.

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## ECONOMIC OUTLOOK

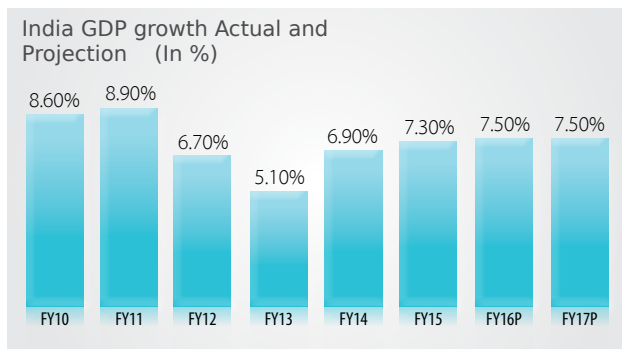
### Global Economy

As per the forecast by the International Monetary Fund (IMF), global economic growth is likely to witness a slowdown citing persistent weakness in the Eurozone and a broad slowdown in several major emerging markets. Global growth is forecast to rise, albeit moderately. From 3.5% in 2015, it is projected to rise to 3.7% in 2016, which is lower by 0.3% of the forecast. The downside could broadly be asserted to the decline in oil prices, Geopolitical tensions in countries such as Russia and disruptive shifts in asset prices. For 2015, the U.S. economic growth has been revised up to 3.6%, largely due to robust domestic demand, cheap oil pricing – boosting real incomes and consumer sentiment and accommodative monetary policy, despite a rise in interest rates. Growth projections for Eurozone are likely to weigh down to 1.2%, despite support from lower oil prices, continued monetary policy easing, neutral fiscal policy stance and recent euro depreciation. Growth in Japan has been revised downwards to 0.6%, with an expected depreciation in Yen.

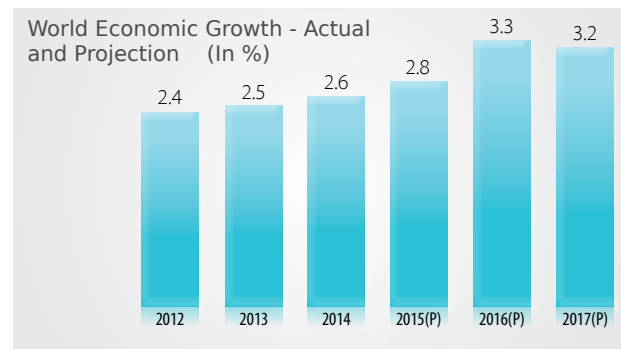
Growth for emerging markets is projected to remain largely stable at 4.3% in 2015 and will increase to 4.7% in 2016, still at a weaker pace as per the forecast in 2014. China is likely to witness lower growth on the back of a slowdown in investment growth and changes in policy reforms,, affecting the rest of Asia. With the transition in sentiments drifting to emerging markets, we can assume some volatility in markets impacting the global outlook. Fall in oil prices have increased external and balance sheet vulnerabilities for oil exporters and declined in oil importers. However, in advanced economies, the fall in oil prices has triggered demand, thereby lowering inflation expectations. In the emerging markets, lowering oil prices can alleviate inflation pressure giving room to central banks to delay raising policy interest rates. Oil exporters, with sizable share of fiscal revenues, have been most affected compared to those with substantial funds from past higher prices, allowing for a more gradual adjustment of public spending to the lower prices. Others can resort to substantial exchange rate depreciation to cushion the impact of oil shock on their economies.

Source: <http://www.imf.org/external/pubs/ft/survey/so/2015/NEW012015A-B.jpg>

Source: [www.IMF.org](http://www.IMF.org)



Source : Reserve Bank of India



Source : World Bank

## Indian Economy

The Indian economy is likely to be stable in 2015, with the Reserve Bank of India (RBI) unlikely to cut policy rates to tackle rising inflation and curb overspending. This will lead to anticipated growth and minimum risk of large fiscal deficit to GDP ratio. As per IMF projections, India's Gross Domestic Product is likely to clock a 7.4% growth in FY2014-15, crossing the \$2.1-trillion mark as compared to 6.9% in FY2013-14. With improved political governance creating a positive stance for the overall

democracy, bettered policy reforms, pick-up in investment and lowering crude oil prices, we can witness a rise in real incomes thereby dimming inflationary concerns. The narrowing of India's fiscal deficit is further attributed to falling crude oil prices. Inflation, too, has come down significantly from double digits in 2013 to 5.1% in January 2015 on the back of lower oil prices. With political reforms, fall in oil prices, and reducing deficit, growth projections are strong vis-à-vis a slowing of global growth economic scenario.

## IMF projections on global economic growth

	2013	2014	2015	2016
World Output	3.3	3.3	3.5	3.7
Advanced Economies	1.2	1.8	2.4	2.4
United States	2.2	2.4	3.6	3.3
Euro Area	-0.5	0.8	1.2	1.4
Germany	0.2	1.5	1.3	1.5
France	0.3	0.4	0.9	1.3
Italy	-1.9	-0.4	0.4	0.8
Spain	-1.2	1.4	2	1.8
Japan	1.6	0.1	0.6	0.8
United Kingdom	1.7	2.6	2.7	2.4
Canada	2	2.4	2.3	2.1
Other Advanced Economies	2.2	2.8	3	3.2
Emerging Market and Developing Economies	4.7	4.4	4.3	4.7
Common Wealth of Independent States	2.2	0.9	-1.4	0.8
Russia	1.3	0.6	-3	-1
Excluding Russia	4.3	1.5	2.4	4.4
Emerging and Developing Asia	6.6	6.5	6.4	6.2
China	7.8	7.4	6.8	6.3
India	5	5.8	6.3	6.5
ASEAN 5	5.2	4.5	5.2	5.3
Emerging and Developing Europe	2.8	2.7	2.9	3.1
Latin America and the Caribbean	2.8	1.2	1.3	2.3
Brazil	2.5	0.1	0.3	1.5
Mexico	1.4	2.1	3.2	3.5
Middle East, North Africa, Afghanistan and Pakistan	2.2	2.8	3.3	3.9
Saudi Arabia	2.7	3.6	2.8	2.7
Sub Saharan Africa	5.2	4.8	4.9	5.2
Nigeria	5.4	6.1	4.8	5.2
South Africa	2.2	1.4	2.1	2.5

Source: IMF, World Economic Outlook Update, January 2015

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## INDUSTRY OVERVIEW

### Global Pharmaceutical Industry

The pharmaceutical industry is majorly dominant in the U.S. and Asia Pacific. Led by these markets, total world consumption in sales of pharmaceutical products has displayed strong growth and is expected to grow further with expanding populations in emerging markets. Global pharma continues to remain attractive due to various cost efficiency measurements, de-consolidation, acquisition of high value targeted assets, management efforts on restructuring of entire business model, share repurchase program and dividend policy. In the recent years, several new therapies have been approved in the area of diabetes (SGLT-2, GLP-1 agonists), multiple sclerosis, HCV, melanoma and breast cancer from major pharmaceutical companies. These are expected to reach multi-billion dollars sales in the near-term and will compensate the patent expiry loss in top-line revenue of pharma companies. Novel mechanisms such as anti-PD1, anti-PCSK9 and CDK inhibitors have also received the exclusive attention of large-cap pharma companies. Most companies are in race to acquire assets in these hot therapy areas. Companies who already have these assets are investing heavily in clinical development programs. The interest in pursuing opportunities in Oncology therapy is unhindered for major companies. Research investments in oncology are likely to continue for several more years due to the significant unmet need existing in this area.

For a few companies, patent expiry impact continues to haunt top-line as they find it difficult to replace declining sales with Proprietary pipeline products. Beyond 2013, the impact of patent loss will further aggravate revenue decline. These companies have chosen strategies of prioritisation pipeline assets, cost efficiency measures, divestment of non-core assets which yield poor margins and increased focus on therapy areas where they have already proven their mettle. Gain in financial strength through divestment of non-core assets (OTC, Animal Health, Consumer health, Diagnostics) will be utilised for pursuing opportunities in high margin therapy areas.



Global pharma continues to remain attractive due to various cost efficiency measurements, de-consolidation, acquisition of high value targeted assets, management efforts on restructuring of entire business model, share repurchase program and dividend policy.

### Economies of Scale to impact Margins

Going forward, economies of scale will also play a major role in swapping non-core business among major pharma, inclusive of vaccines, OTC and animal health, to improve margins. One field which is poised to bring a paradigm shift in the way diseases will be treated in the next decades is Stem Cell therapy/Regenerative Medicine space. The number of companies and products in the clinic has reached a critical mass warranting a close watch for those interested in keeping pace with development of new medicines. The universe of regenerative medicine is large and new companies are getting added rapidly. However, in recent times, austerity measures across the world have hit the pharmaceutical industry. Furthermore, the loss of patent for many blockbuster drugs during 2010-2015 is also going to have a big impact on the global pharmaceutical industry. However, generic manufacturers are likely to benefit as they remain poised to capture a substantial portion of revenues with generic versions of these drugs.

Factors driving growth in the global pharmaceutical industry include the emergence of new product lines, opportunities in various CNS disorders and oncology research, ongoing commercialisation of dormant compounds, along with a look at the role of bio-similars in the industry.



## Global Medicine Spend

Total global spending on medicines is projected to touch \$1.3 trillion in 2018, an increase of \$290-320 billion from 2013, driven by population growth, an aging population, and improved access in pharmerging markets. The U.S. will see the largest per capita spending increase from 2013 to 2018, while other developed countries such as France and Spain will see a decrease due to implementation of policies to control spending growth. Global spending growth is seen peaking in 2014-15 and moderating through 2018, due to fewer patent expiries, launches of more innovative medicines and price increases. Off-invoice rebates and discounts will help decrease net sales growth in developed and pharmerging markets through 2018.

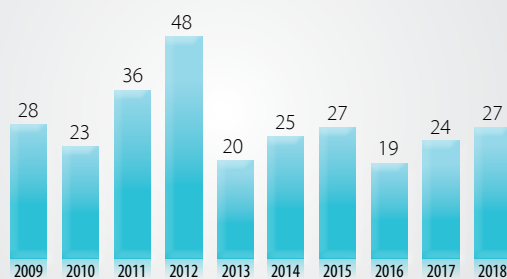
Growth in global spending will stabilize between 4-7% through 2018. The global population aged 65 and over will grow faster than any other age segment, and will account for almost 30% of the overall population growth in next five years. Demographic trends will act as a significant driver of global demand for pharmaceuticals. Increase in diagnosis and treatment of chronic conditions and an aging population will drive developed markets, while population growth coupled with improved access to healthcare will drive growth in the emerging markets. However, significant downside risks remain, due to an uneven economic recovery in Europe, political tensions in Russia and recent events in Africa and the Middle East. Most countries will experience an increase in pharmaceutical spending per capita by 2018. The highest growth is anticipated in China, as its per capita spending is projected to rise by over 70% in next five years. As the second-largest world market, China's spend is expected to be just 9% per capita of that in the U.S.

## Patent Expiry

Patent expiry for small molecules peaked in 2012 and is likely to remain moderate through 2018. The value of small molecule products totalled \$154 billion in developed markets, facing the loss of exclusivity in last five years. The patent cliff peaked in 2011-12 in the U.S. with competition amongst major players in the generic segment. Global brands in medicine are further lined up for patent expiry in next five years, but will result in lesser impact than in

small molecules due to the evolution of the bio-similar regulations and rising competition in that space.

Value of Small Molecule Products Facing Loss of Exclusivity in Developed Markets (\$ billion)



Source: IMS Midas, June 2014

## Developed Markets:

Developed markets are defined as the U.S., Japan, Top 5 Europe countries (Germany, France, Italy, Spain, U.K.), Canada and South Korea

The developed markets are likely to witness strong growth in 2014, driven pre-dominantly by the U.S. market, which is forecast to grow 11-13% in 2014 before moderating to 5-8% CAGR through 2018. The growth in developed markets will be led by fewer patent expiries, launch of innovative medicines and price increases. Moderation in growth through 2018 will be contributed by the U.S. and Japan, with EU5 (Germany, France, Italy, Spain and U.K.) maintaining relatively low levels of growth. Cost containment policies in developed and pharmerging markets alike are increasingly driving price concessions, often through off-invoice discounts and rebates. Increases in negotiated discounts are counteracting list price increases and populations aging into public pay systems and populations aging into public pay systems may have higher level of negotiated rebates. Influencing this trend are government-mandated rebates and new caps instituted on total levels of public drug spend, combined with manufacturer payback arrangements in some countries. Price concessions for branded products are expected to increase through 2018; those for generics also are expected to grow as these companies compete with increasing intensity.

## Management Discussion & Analysis

Price increases also contribute to the U.S. market growth. Implementation of the Affordable Care Act and the resulting expansion of access will result in slightly higher levels of growth, though impact of other structural changes of healthcare payment and delivery will be more significant. Higher spending can be expected on specialty medicines over the next five years, particularly in developed markets. This segment will be a larger driver of spending growth in North America and Europe than in the pharmerging markets.

Across the major markets in Europe, economic austerity-led efforts to constrain growth in healthcare spending, especially medicines, have resulted in spending declines or very low growth. This is seen continuing through 2018. In the EU5 countries, growth will be flat following recovery from recession and will be influenced greatly by changes to discounts and price cuts in certain countries. Japan, similarly, is forecast to see growth in the 1-4% range even as its population over the age of 65 exceeds 27%, 5% higher than other developed countries, and is expected to increase demand for medicines. Growth there will peak early and moderate further by price reductions due to competition in post-expiry branded drugs.

### Pharmerging Markets:

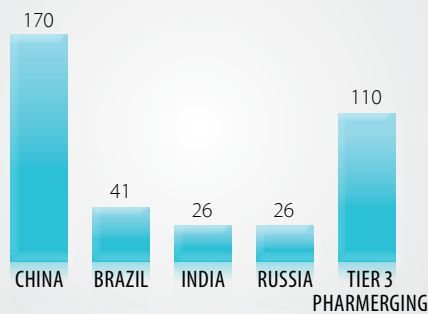
Tier 1: China; Tier 2: Brazil, India, Russia;

Tier 3: Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria.

The pharmerging markets will expand at a compounded annual growth rate of 8-11% through 2018, an increasing share of global market. Largely driven by China, which represents 46% of the pharmerging market, growth will continue to be driven by improved access and population increases, but will moderate in the latter years of the forecast. The growth, though at slower pace compared to past five years, averaged at 13.6% and will be driven by rise in population, increased access to new medicines, health care, and government funded economic stimulus programs. Growth in pharmerging countries will be majorly driven by generic and non-branded products, growing at double the rate of branded growth. With the rise in incomes, growth in demand for medicines can be

seen. The slowed growth in the other regions will also cause a rise in global sales for pharmerging markets. Increasing global demand and expanding global export market will benefit pharmerging countries. However, these economies remain vulnerable to downside risks from advanced nations and may be notably affected by slower European growth. Government stimulus and investment projects across pharmerging economies will contribute to domestic demand overall with downstream effects on the demand for medicines.

Pharmerging Spending and Growth in 2018 (\$ Billion)



Growth in pharmerging markets comprises 83% rise in sale of non-brand medicine, driven mostly by generics. China demonstrates 75% growth in next five years, driven by both brands (70%) and non-brands (75%). While some pharmerging markets have robust domestic generic industries, typically smaller countries rely more on import of medicines and tend to have higher branded medicine spending as a share of their total spend. As a percentage of total growth in pharmerging markets, brand growth remains steady at 30% growth, while non-brand sharply increases at 61%. Brand growth comprises 23% of total growth for Tier 3 pharmerging markets, primarily due to significant importation of medicines and pricing policies that promote competition. Government pricing policies are typically restrictive, including price controls, driving brand prices to competitive levels and limiting price growth.

China, already the world's second largest pharmaceutical market, will reach spending levels of \$155-185 billion in 2018. Implementation of health reforms are increasing

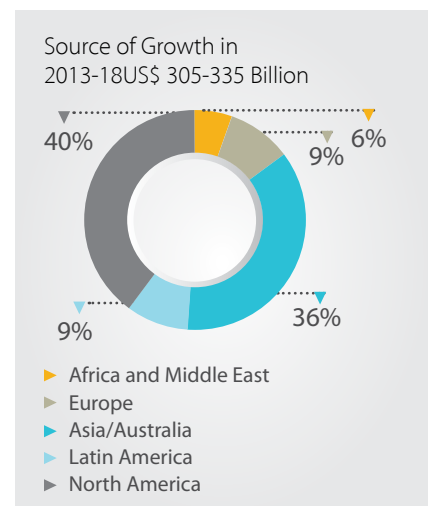
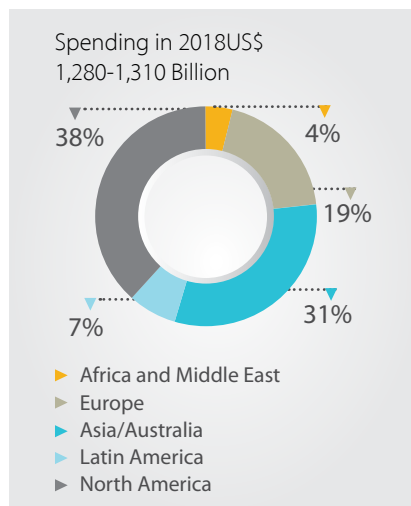
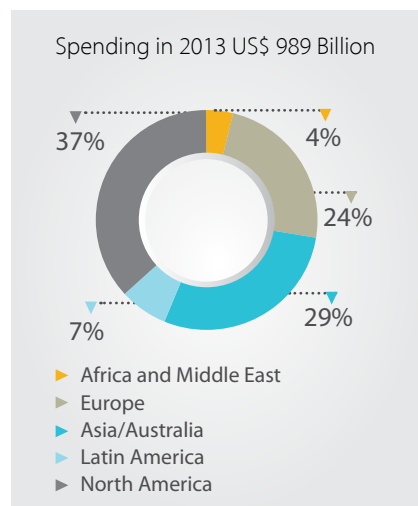
demand for medicines, while pricing regulations are being used more frequently to manage overall growth levels. Over 80% of growth in pharmerging markets will be attributed to non-branded medicines. About 40% of total global growth will come from these medicines, primarily in oncology, autoimmune, respiratory, anti-virals and immune-suppressants therapy areas. Much of this growth is from medicines bringing new treatment options for patients, including breakthrough therapies or even cures, and often reduced complications or hospitalizations. A growing number of these drugs are also available in oral form, which reduces costs associated with delivering the drug to patients. The pipeline of innovative specialty drugs is also robust, especially in the area of oncology. The number of new molecular entities to be launched is expected to remain at levels higher than in the past decade, aided by an increasing number of applications subject to accelerated regulatory review.

Over the next five years, advances in therapy areas of oncology, diabetes and Hepatitis C will be of particular interest and importance. The surge in cancer drug innovation over recent years will continue and contribute to global spending on all oncology drugs, reaching about \$100 billion in 2018, up from \$65 billion last year. A number of new immunotherapies will become important parts of the cancer treatment arsenal, including PD-1 and CDK inhibitors. Spending on diabetes treatments will exceed

\$78 billion globally in 2018 as growth moderates. Although prevalence of diabetes continues to accelerate, particularly in low- and middle-income countries, treatment costs overall will increase more modestly as bio-similar insulins become available and payer pressure on higher-priced treatment options intensifies. The introduction and uptake of potent new medicines for the de facto cure of Hepatitis C are expected to result in about \$100 billion in total spending over the five-year period ending 2018. A large number of individual and combination drugs are already available or in late-stage development, bringing remarkable clinical benefits to those patients able to access them. At the same time, payers struggle with the challenges of financing the upfront costs of these drugs, even though they can bring economic savings over the long term.

### Prime Drivers for Medicine Spend

North America continues to contribute the largest proportion to growth in spending, but Asia is also gaining momentum. Generics have been the largest drivers except North America. Increases in low cost Generics will be seen in Asia, including India and Pakistan, as efforts to broaden access to basic health insurance is pursued. Specialty growth in Asia will grow from 21% in previous five years to 24% in the next five, reflecting increased availability in those markets. Widespread poverty and a heavy disease



## Management Discussion & Analysis

burden add to problems faced by patients in many African countries, focusing much growth on traditional therapies; growth in the AFME region including Egypt and Algeria will be driven by increases in incidence of chronic, age-related conditions driving demand for traditional chronic therapies. Innovative medicines, increased access and advances in treatment will impact developed and pharmerging countries for the next five years.

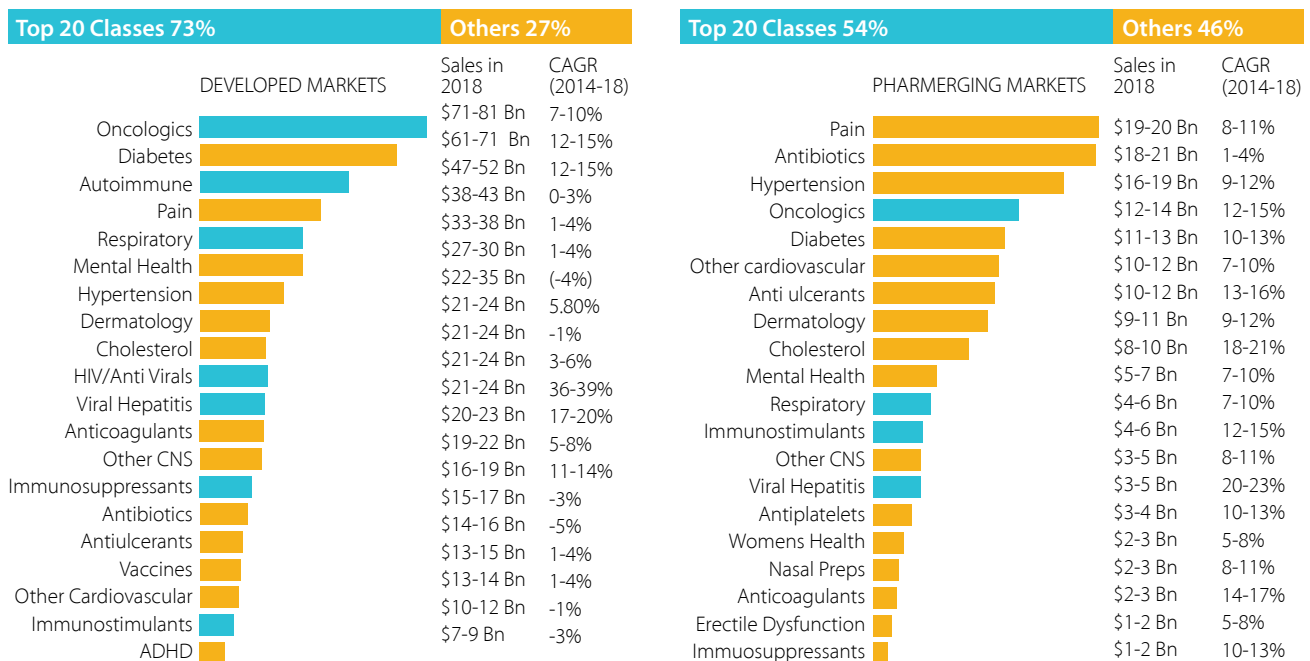
### World Spend on Brands and Generic Medicines

The greatest availability of new medicines continues to be high-income countries, and is increasing for pharmerging countries. Driving the pipeline are oncology drugs, anti-infectives and antivirals, and drugs targeting central nervous system disorders, comprising 46% of the late-stage pipeline. Oncology spending will reach \$100 billion globally by 2018, an absolute growth of \$30-40 billion, driven by greater numbers of drug approvals and an increase in cancer incidence. Oncology innovation is energised by a number of immunotherapies, many of



which have FDA Breakthrough Therapy Designation, with the potential for multiple follow-on indications, deepening an already full pipeline. Diabetes spending growth will be above 10% in both developed and pharmerging regions in the next five years, driven primarily by innovative new therapies and greater diagnosis rates. Diabetes will see a major influx of new technologies and innovations seeking to improve prevention, screening, diagnosis and treatment adherence for both type 1 and type 2 diabetics. Hepatitis C medicines will see greater use of treatments that cure the disease in next five years, seeking to make dosing easier, shorten courses of treatment and reduce side effects. Treatment for Hepatitis C will cure 9-14% of the HCV-infected population in the U.S. by 2018, with many programs to increase affordability and control cost emerging in both developed and pharmerging regions.

### PROJECTED SPENDING ON SPECIALTY MEDICINES (2018)



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The emergence of new therapies for Hepatitis C have brought that therapy area into top 20 for both developed and pharmerging countries. Oncology continues to be the largest category in developed countries, and the largest speciality area in pharmerging countries. Leading classes in the pharmerging markets are dominated by pain, antibiotics and hypertension. While in the developed markets, oncology and autoimmune diseases are more prominent. Decelerating growth in the developed markets will be linked to the patent expiration for six out of the top 20 classes.

Through October 2014, 31 new molecular entities (NMEs) have been approved globally and 26 launched, 6 of which are classified as orphan either in U.S. or E.U. and 18 are specialty products. In 2014, there have already been 12 drugs approved in U.S. with FDA Breakthrough Therapy Designation, including the first biologic (meningococcal group B vaccine).

The countries with the highest availability of NMEs launched 2008-12 continue to be high income, including the U.S., Germany, U.K., Canada and Italy. In developed markets, U.K. had the biggest increase (9%) and Spain the biggest decrease (-14%) in availability over 2012 analysis. Pharmerging markets have a lower percentage of possible NMEs across all medicine classes. Approximately 32% of NMEs launched in at least one country are not available in the U.S., as per the analysis of availability in 2012 of 2007-11 cohort of NMEs, pharmerging countries all achieved increases in availability.

## Global CRAMS Industry

Over the past few years the global pharmaceutical industry has been shifting its focus towards emerging markets like India. The CRAMS segment in India is expected to be one of the biggest beneficiaries of this wave. The Indian contract research and manufacturing services market comprehends from drug discovery to pre-clinical toxicology, Active Pharmaceutical Ingredient (API), Formulations and Injectables in India.

According to the global CRAMS market outlook to 2018, India and China present bright prospects of market size by value of CRAMS services globally. The continuing turmoil in fewer developed nations such as EU and North America due to patent cliff and economic recession in past few

years have changed the structure of the global CRAMS industry with countries like India and China gaining greater importance in recent years. The increasing need for effective and safe drug discovery and manufacturing has been driving the revenues of global CRAMS industry, which reached USD ~ billion in 2013, representing a CAGR of 13.1% during 2007-2013. The U.S. has been the largest contributor in the global CRAMS industry at 39.8% in 2013, declining from 45.6% in 2007. The fall was due to rising contribution of India and China at 5.4% and 4.0%, respectively. Globally, contract manufacturing services accounted for ~% of the global CRAMS industry, growing at a CAGR of 12.0% during 2007-2013. The global CRAMS industry is highly fragmented with top 13 players contributing ~% in the overall revenues. India's share in global CRAMS industry is anticipated to reach 8.3% in 2018, up from 5.4% in 2013 with a shift of outsourcing activities from western nations to countries like India.

## Growth recorded by CRAMS Players

The Indian Contract Research and Manufacturing Services (Crams) players are expected to register a strong growth rate of 18-20% CAGR to touch \$18 billion by 2018, from \$7.6-7.8 billion in 2013. This would be achieved on the back of a recovery in the U.S. market and \$85 billion off-patent drug opportunity by 2020, according to a report by Care Ratings. Factors like patent cliff, favourable currency and focus on new product development would drive growth for Crams players. Also, patented drugs, worth nearly \$85 billion in potential annual sales in the U.S., are expected to go off patent between 2014 and 2020. This is likely to boost the prospects of Indian contract manufacturing segment (CMS) companies. With the Indian crams industry gradually moving up the value chain and players investing in better technology and higher capacities, manufacture of value-added products for biotech and specialty therapy areas may be outsourced to Indian players in future, to grow at approximately 17-18% CAGR till 2018.

## Outsourcing Opportunity

India is one of the world's best known low-cost manufacturing centres, with highest number of US Food and Drug Administration (FDA)-approved manufacturing plants outside the U.S. Going forward, gradual

improvement is expected on the back of recovery signs witnessed. Further, global pharma companies are slated to enhance their allocations towards R&D in order to increase their drug pipeline. Increase in fresh orders and new assignments will aid revival of Crams business. The growth would be mostly led by increase in strategic alliances and expanding footprints in major geographies. With the cost of developing new drugs estimated to have reached approximately \$5 billion, major pharma companies are witnessing a decline in their R&D productivity on account of diminishing discoveries of path-breaking molecules, fewer new molecules being approved by the US FDA and increasing research costs. As the drug pipeline depletes, the pharmaceutical industry is under pressure to enhance productivity of its R&D functions. Also, many developed economies are trying to curtail their healthcare spends. These factors may enhance outsourcing of manufacturing and research activities by global pharmaceutical companies, thereby benefiting the global Crams industry.

The opening up of global pharma and setting up of supply chains globally has resulted in increased contribution of exports to earnings of domestic crams companies. Exports accounted for more than 75% of revenues in 2014 of Crams industry, up from 62% in 2010. The local industry's share will increase to around 8-9% of global Crams market by 2018 from about 6% in 2013. However, the growth of the industry may be negatively impacted by regulatory directives. At least 16 regulatory and compliance-related instances have been reported between June 2013 and July 2014. Such notices, import alerts and recalls of drugs may impair the goodwill of the Indian pharma industry globally, adversely impacting the outsourcing of work to the Crams industry, as per the report by CARE Ratings. This might impact India's position compared with competing countries such as China, Russia, Brazil and Taiwan. Source: DNA article report by Care Ratings (CRAMS)

### THE ONCOLOGY OPPORTUNITY

During the years, oncology has become one of the major focus areas of the pharmaceutical industry and oncology products continue to drive the pipeline. Around 35-40% of clinical trials are in the oncology segment. There has been a massive rise in number of products in oncology by phase

and therapy area coherent with the rising demand. Global oncology makes up 31% of the total pipeline, 25% of the late-stage pipeline (Phase II through pre-registration), and is double the size of next highest class. The top three classes in the late-stage pipeline constitute 46% of the total late phase pipeline. Biologics make up 36% of the late-stage pipeline and 45% of the late stage oncology pipeline. The second largest area of development is the treatment of CNS disorders with a focus on mental health, multiple sclerosis and neuropathy indications. Anti-infectives development is focused in large part around HIV and Hepatitis C products.

### Oncology Spend

The global spending on oncology is expected to grow by over 50% to exceed \$100Bn in 2018, driven by increases in cancer incidence of up to 31% by 2020, and rising rates of melanoma and kidney cancers, as per the IMS market report. Absolute growth is expected to be \$25-45Bn, compared to \$17Bn in the prior five years. High numbers of global drug approvals and launches in 2012 and 2013 and a strong pipeline will drive higher growth in developed markets in the forecast period. Bio-similars will play a greater role in cancer treatment in pharmerging markets but are expected to have limited impact in developed countries over the next five years.

Oncology innovation driving pipeline growth includes new immunotherapies. Immunotherapies are expected to gain many follow-on indications using the immune system to target cancer broadly rather than targeting site-specific tumors.

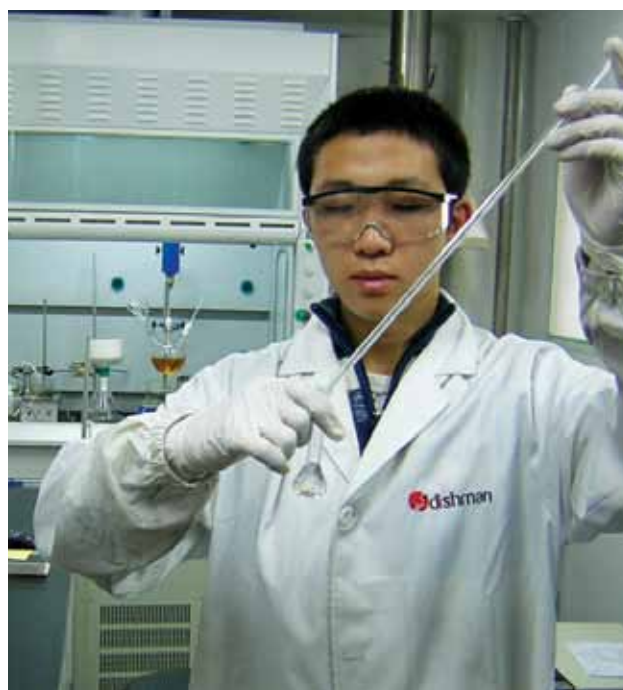
### Spending in Developed Markets

In developed markets, spending on diabetes drugs will rise from \$35 billion to \$66 billion in 2018. Spending growth in 2014 is driven by rising prices for modern insulin in the U.S. However, this doesn't reflect the effect of off-invoice discounts and rebates that may offset these price increases. In developed markets, newer therapies such as GLP-1 antagonists, DPP-IV inhibitors and SGLT2 inhibitors will continue to drive growth. The coming wave of bio-similar insulins will bring about significant commercial changes and cost savings for insulin-dependent patients.

In pharmerging markets, spending on diabetes drugs will increase 10-13% over the next five years. Spending growth in pharmerging countries is largely attributed to rising incidence and diagnosis rates, which have led to greater insulin and metformin use; they have been slower to adopt newer therapies. Eighty percent of people with diabetes live in low- and middle-income countries. Rising obesity rates are fueling the global diabetes epidemic. Thirty percent of diabetics in high-income countries and as many as 90% of diabetics in sub-Saharan Africa are undiagnosed; globally, an estimated 175 million people do not know they have the disease. New approaches to disease management are needed to address swelling patient populations and mounting costs. Apps and devices designed to identify at-risk patients, encourage healthy behaviors, improve adherence and provide better glycemic control will improve the lives of diabetes patients in 2018.

Hepatitis C virus (HCV) medicines has undergone accelerated innovation in the past four years as improvement in drug technology has yielded sustained virologic responses (SVRs) of nearly 100% in genotype 1 patients from SVRs of 30- 50% only three years ago. Global spending on HCV drugs is expected to exceed \$100Bn during 2014-18. The next four years will see combinations of direct-acting antiviral agents (DAA) that are administered without Interferon and Ribavirin, and with increased efficacy in pan-genotypic HCV infections, easier dosing, shorter courses of treatment and reduced side effects. DAAs combined with interferon & ribavirin may remain viable options in pharmerging markets. New HCV medicines will provide patients, providers, payers and governments with more treatment options. Solutions to affordability and public health concerns formed in the HCV market will be applied to adjacent therapeutic areas in the coming years.

The dynamics resulting from changes in the role of medicines in healthcare systems and associated level of spending differ significantly over time and across countries. The impact of drivers of the innovation lifecycle, growing focus on outcomes and performance measures in healthcare, and pursuit of universal health coverage are playing out in significant ways around the world. With



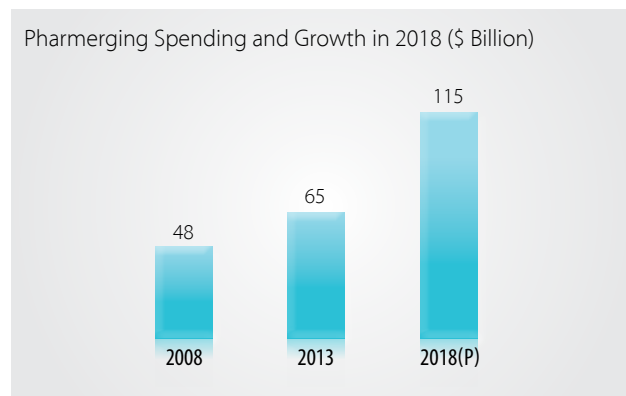
almost \$1.3 trillion in spending on medicines expected in 2018, the focus on value provided by medicines as an integral part of prevention and treatment has never been more important—to patients, healthcare professionals and payers alike.

**Conventions:**

Developed markets are defined as the U.S., Japan, Top 5 Europe countries (Germany, France, Italy, Spain, U.K.), Canada and South Korea.

Pharmerging countries are defined as those with >\$1Bn absolute spending growth over 2014-18 and which have GDP per capita of less than \$25,000 at purchasing power parity (PPP). Tier 1: China; Tier 2: Brazil, India, Russia;

Tier 3: Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria



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## BUSINESS OVERVIEW

Head-quartered out of India, the Dishman Group is a truly global and integrated CRAMS player with strong capabilities across the value chain. Dishman Pharmaceuticals and Chemicals Limited, the flagship company, includes its Indian and foreign subsidiaries, joint ventures and associate companies across the globe. All these entities are individual and separate. The Group has presence across the world servicing customers from all key advanced markets, including USA, Europe and Asia. It possesses a wide range of research competencies and manufacturing capacities across multiple continents and countries, including Switzerland, UK, France, China, Japan and India. It operates 9 plants in total – 4 in Switzerland; 2 in India; and one each in UK, France and China.

The Group recently witnessed profound organisational and operational restructuring, in which it first added the post of Group CEO and then adding the posts of a Group level Chief Information Officer and a Chief Quality Officer with the particular mandate of integrating the Group's operations and cross selling its global capabilities to its customers across the world.

### End-to-end Service Offering

Chemical Development - Commercial Manufacture - Supply of APIs

### Our Product Portfolio

- Phase transfer catalysts
- Vitamin D
- Vitamin D analogues
- Cholesterol
- Laolin related products
- Antiseptic and disinfectant formulations for pharmaceutical, cosmetic and related markets

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## OUR BUSINESS VERTICALS

### CONTRACT RESEARCH AND MANUFACTURING

Our principal line of business is Contract Research and Manufacturing Services (CRAMS) and marketable molecules such as bulk drugs, intermediates, and quaternary ammonium compounds (quats). We are an integrated CRAMS player with strong capabilities across the value chain. Through our CRAMS business, we assist drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process. The CRAMS unit manufactures drug quantities required for conducting clinical trials. Once the innovative molecules are approved, this unit explores the possibility of possible large-scale commercial supply tie-ups. We provide end-to-end high-value Asian cost-base CRAMS offerings right from process research and development to late-stage clinical and commercial manufacturing. CRAMS contributes nearly 65% to our total revenues. With an expanded capacity in place, we are strongly placed to benefit from a revival in the global CRAMS industry.

#### a. CARBOGEN AMCIS

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





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Our focus has been to integrate our Vitamins business by way of forward integration at our Vitamin D facility in India. We have recently commenced operations in this segment which will add value to our Vitamin D business. The India facility will convert cholesterol into Vitamin D3 resin.

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

**b. Dishman India**

The Dishman brand represents the Group's second port of call for the same Pharmaceutical companies engaged with CARBOGEN AMCIS. Once CARBOGEN AMCIS has satisfied a customer up to a point in terms of research, trials and small scale commercial production, they are able to derive further value with the Group. The Company successfully scales them towards large-scale commercial production using its specialised high capacity operations in India and China. The Indian facilities at Bavla in Gujarat and the Chinese facility in Shanghai are particularly well invested and suited for mid-to-large scale production. Through this method, the Group is able to derive significant value out of the research work done at CARBOGEN AMCIS to commercial production in India and China, thus resulting into an end-to-end Integrated CRAMS offering.

**b. Vitamins and Chemicals**

Dishman Vitamins & Chemicals manufactures and supplies a range of Vitamin D2, Vitamin D3 and Vitamin D analogues. It also manufactures cholesterol and lanolin related products for pharmaceutical, cosmetic and related markets. After having acquired our Vitamin D3 business in Netherlands. We are the market leaders in the advanced regulated markets in the Vitamin D space. Our focus has been to integrate our Vitamins business by way of forward integration at our Vitamin D facility in India. We have recently commenced operations in this segment which will add value to our Vitamin D business. Our cholesterol facility at Veenendaal, The Netherlands, has also recently commenced operations after renovation. This will add further value to our Vitamin D3 business.

**MARKETABLE MOLECULES**

**a. Specialty Chemicals**

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

**c. Disinfectants**

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

## OUR COMPETITIVE STRENGTHS

### A. Capabilities across the entire CRAMS value chain

Today, the Dishman brand is perceived by global customers as a preferred global outsourcing partner with capabilities across the entire CRAMS value chain, with services ranging from process R&D and pilot supply, to full scale and commercial manufacturing from purpose built and dedicated facilities. The Group's India and Chinese facilities possess strong chemistry skill sets: a large dedicated multiple shift R&D operations; and 26 and dedicated production facilities for APIs, intermediates (India, China) with dedicated API manufacturing capacity at India and China.

### Presence along the value chain:

Building Blocks - Commercialisation - Launch Stage

### B. High Potency API Capability

The Dishman Group has invested in world class capabilities to address the Anti-Body Conjugates (ADC) market. Coupled with 13 years of HiPo API experience, the High Potency API business will represent a significant opportunity for step change in the Group's top and bottom line growth. The Group has a strongly differentiated set of capabilities in the HiPo API arena with pre-clinical API, phase 1/phase 2/phase 3 and commercial API and up to clinical Ph2 parenteral dosage form capabilities. All these capabilities remain in house and underwritten by a consolidated project management capability to take customers from pre-clinical stages through to commercial manufacturing of APIs, right through to formulated products up to phase 2.

### C. Unparalleled Capabilities in scaled-up Commercial Manufacture

The Dishman Group offers unparalleled capability in scaled-up commercial manufacture of highly potent compounds and vitamins. The Group provides state-of-the-art containment services. All facilities operate to current Good Manufacturing Practice (cGMP) and can produce materials for pre-clinical testing, clinical trials and commercial use. Dishman's HiPo API facility



at Bavla, coupled with the capabilities in HiPo API in Switzerland, provide a customer compelling set of assets and technical skills. The new HiPo API facility in Bavla, Unit 9, is world-class, designed and constructed with current state-of-the-art systems and procedures which ensure complete continuity with facilities in Switzerland, thus providing a complete end-to-end API supply chain 'under one roof'.

### D. Seamless Integration of our Capabilities

We continue to cross sell our multiple broad-based capabilities across geographies and leverage fresh opportunities wherever possible. Our joint Global Sales team continues to project the Group as "One Company - Two Brands" under the CARBOGEN AMCIS and Dishman brands. Our unified approach in projecting the disparate and wide-spread capabilities is already beginning to have a positive impact. We are currently executing a \$20 million order in the non-potent oncology space, which requires capabilities spread across three of our project sites (Bavla, Shanghai and Switzerland) to be offered in synchrony. As a result of this order, our Shanghai facility was able to get into the profitability mode. Unit 9 is implementing projects that have been successfully transferred to Bavla, after being developed at the Swiss facility in its early stages.

## SIGNIFICANT ACHIEVEMENTS OF FY2015

### China Facility kick-starting Production

The Company recently came into production at its facility in Shanghai, China, which began getting constructed in 2006 with a total investment of \$25 million. Since its Swiss subsidiary CARBOGEN AMCIS is falling short of capacity, the facility at China will be utilised for supplying key intermediates to CARBOGEN AMCIS and to India. Some high-potency anti-cancer products and intermediates



We are optimistic on the outlook for the overall Vitamin D3 business with a world demand of 400,000 metric tonnes and are looking to expand the Vitamin D analogue part of business. Recently, the plant secured FDA approval to enhance its competitiveness in securing high-value customers.

aimed at the global market will be manufactured here and will be brought into Bavla for making finished products. The products manufactured at Shanghai are profitable and the facility achieved cash break-even point during the year. Chemicals manufactured in our Shanghai factory are in general substantially cheaper than in our corresponding other assets.

#### **Distinctive Marketing Strategy for Vitamin D3**

Dishman Netherlands, which was fully commercialised post shutdown and renovation, displayed decent performance following a distinct marketing strategy of focusing on profitability instead of volumes. The strategy was directly handled by our Global Chief Executive Officer, Mark Griffiths. The Company, which produces vitamins, earlier sold to about 26-27 distributors and there was no control on pricing. Today, the situation has undergone a distinct change with a key focus on improving margins. We are optimistic on the outlook for the overall Vitamin D3 business with a world demand of 400,000 metric tonnes and are looking to expand the Vitamin D analogue part of business. Recently, the plant secured FDA approval to enhance its competitiveness in securing high-value customers.

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#### **Prime Growth Drivers in FY2015:**

- CRAMS getting back on growth path
- Turnaround of CARBOGEN AMCIS, led by margin improvement, new products, ADC and Unit 9-HiPo
- CRAMS and break-even of China facility
- Vitamin D business moving on track with key focus on integrating vitamin business

#### **OUR KEY STRATEGIES IN PLAY**

##### **Diversifying our Customer Base**

Dishman Pharma was earlier outsourcing services to big pharmaceutical players in US and UK, mainly innovators from biotech to multinational pharma companies. However, it changed its strategy and continues to diversify and widen its existing customer base for India CRAMS business. This tectonic shift is based on a key observation that much of the recent innovation in New Molecule Entities (NMEs) has come from small to mid-sized biopharmaceutical organisations, which has changed the dynamics of this business. Today, medium pharmaceutical and small biotech players form a bulk of its customer base. By diversifying our customer mix, we are ensuring we are not over dependent on our business with large pharmaceutical companies.

We are targeting small and mid-sized pharmaceutical companies active in Research & Development and offering better margins. We added 10-15 small biotech clients under our belt during the year. In FY2016, a significant portion of our total revenues will be clocked from small and mid-sized biotech companies. Our CRAMS segment is benefitting from a wider customer base. About top 10 of our customers currently contribute 40% to the total revenues, compared with 60-70% earlier.

##### **Increasing Focus on Innovative and Generic APIs**

We are significantly enhancing our focus on innovative and generic APIs in a bid to stabilise our business and increase utilisation of spare capacities, without any additional capex. In the past year, we hired a few chemists in this segment. We have already filed ~5 DMFs and are

## Management Discussion & Analysis

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ready with data for another ~20 DMFs. We had a successful FDA scrutiny in Bavla towards the pre-approval inspection of a generic product, of which we are the sole suppliers. We also won a contract to supply APIs for a "soon to be commercialised" oncology product to be executed across Switzerland, Bavla and China.

### Strengthening Order Book

Dishman India is currently sitting on a decent order book to be executed over the next couple of years. A key driver for India CRAMS is the HiPo facility for oncology at Bavla. Intermediaries for orders will be manufactured at the China facility, aimed towards derisking manufacturing at a single location. The current HiPo order book translates into 30-35% utilisation rate and the Company plans to ramp up in next 12 months. We also have a strategy of introducing new customers to our R&D capabilities in Bavla, which is expanding with 4 new development customers in FY2015. Repeat orders and a steady stream of new customers give us comfort on future growth. With a significant order book, we continue to focus on efficient and better capacity utilisation of our assets. This is aimed by way of low-volume and high-value niche and complex products in the portfolio mix, resulting into better operating margins.

### New Product Launches

We continue to bank on new product launches to increase our revenues. Currently, around 8 of our products are already in the "near commercial" stage. These are scheduled to be ready for launch in FY2016, which will add to our revenue growth. The Octenadine Compound, launched during the year under review, received excellent market response. In addition, we are also exploring various other opportunities with our key customers for new product launches.

### Focusing on Margin Improvement

During the first half of the year under review, we worked on development projects with lower margins at CARBOGEN AMCIS. In the second half, we worked on commercial products and development work which will result into a considerable pick-up in margins. Also, there



is stock building in raw material inventory followed by a sizeable project in hand. Revenues of this project will be realised in FY2016. In another case, the unit capacity of Unit 9 (oncology unit) at Bavla has been entirely sold out for next several quarters. Revenue impact of this will be visible in the coming quarters as projects scale higher. Encouraged by customer response, we are evaluating options to add two new cell blocks.

### Paring Debts through Cash Accruals

With most capital expansion behind us, we are targeting to use our incremental cash flows to retire debt. During FY2015, we made Rs 183.42 crore debt repayment by utilising our cash accruals. Our consolidated debt levels are currently at a comfortable position at Rs 932.69 crore. We foresee substantial reduction in our debt position and stronger Net Interest Margins in the years ahead.

## MANAGEMENT OUTLOOK

We are focusing on high-margin, high-value business and expect a sizeable improvement in the years ahead. We are focusing on contract manufacturing to boost margins over volumes in our Vitamin D business. The outlook for CRAMS and innovative and generic API is positive. We foresee HiPo API and generic API businesses to be our future growth drivers. We are expecting the positive momentum to be maintained due to better performance in CARBOGEN AMCIS, improvement in Vitamin D margins and better realisation in Netherlands facility. About 70% of Dishman's portfolio is geared towards higher-end API supplies with vitamin D3 and bulk drugs accounting for balance 30%. In vitamin D3, the key focus will be on quality rather than volumes, which will protect our EBIDTA margin. With interest cost savings due to debt repayment



We foresee HiPo API and generic API businesses to be our future growth drivers. We are expecting the positive momentum to be maintained due to better performance in CARBOGEN AMCIS, improvement in Vitamin D margins and better realisation in Netherlands facility.

and margin expansion will drive our earnings CAGR in the next few years. Scalability of our HiPo facility at Bavla and approvals from regulatory authorities will gradually lead to better profitability.

## RESEARCH & DEVELOPMENT

With strong R&D experience and effective relationship developed with MNC Customers, the Company has emerged as a premier contract manufacturing organisation (CMO). The CMO business model was envisaged in the year 1997 and there under set up a modern production facility at Bavla, near Ahmedabad, which is a 100% EOU facility. At present, the Company has eight multi-purpose production units at Bavla. The Company has also manufacturing and R&D facilities in Switzerland, UK and Netherlands. The Company has set up a Greenfield manufacturing facility at Shanghai Chemical Industry Park, Shanghai, China.

Your Company has adopted various marketing strategies to continue the growth, including increase in number of clients to reduce the dependency on any single client, increase the number of products range to reduce product risk; to enter contract manufacturing through contract

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research of new molecules and enter the specific market with marketing innovation, technology transfer in the developing markets, where technology is licensed to API manufacturer with a stipulation that the intermediates are to be procured from Dishman on a long-term basis.

## FINANCIAL OVERVIEW

### Business Highlights (Consolidated)

(₹ in Crores)

PARTICULARS	2014-2015	2013-2014	GROWTH (%)
Net Sales & Operating Income	1,575.19	1,385.32	13.71%
Other Income	86.04	24.91	245.38%
Total Income	1,661.23	1,410.23	17.80%
EBITDA	399.67	357.02	11.95%
Depreciation	150.71	108.56	38.82%
PBIT	248.96	248.46	0.20%
Interest & other Finance charges	89.71	92.05	-2.55%
Profit Before Tax	159.25	156.40	1.82%
Tax Expense	39.44	47.13	-16.32%
Profit after Tax	119.81	109.27	9.79%

During the year, the turnover has gone up to ₹ 1,575.19 crore compared ₹ 1,385.32 crore resulting a growth of 13.71%. CRAMS segment registered a turnover of ₹ 1,100.93 crore compared to ₹ 933.52 crore during the previous year. Others segment which includes bulk drugs, intermediates, Quats and speciality chemicals and outsourced/traded goods registered growth at ₹ 474.26 crore, against ₹ 451.80 crore in the previous year.

CRAMS is our largest business segment which caters to the requirements of multi-national pharmaceutical companies internationally. We develop intermediates/APIs based on our customer's request. This business involves significant R&D efforts to develop the products, processes. Our wholly owned subsidiary CARBOGEN AMCIS located in Switzerland is spearheading our R&D efforts. Around 70% of our consolidated turnover is generated from CRAMS segment.

Others segment (which includes bulk drugs, intermediates, speciality chemicals and outsourced/trade goods) contributed around 30% of consolidated turnover in 2014-2015. Out of ₹ 1,575.19 crore sales, CARBOGEN AMCIS has accounted for sales of ₹ 771.25 crore (previous year ₹

611.35 crore), Vitamin D and speciality chemicals business has accounted for sales of ₹ 227.04 crore (previous year ₹ 213.80 crore) and CARBOGEN UK Ltd. accounted for sales of ₹ 85.35 crore (previous year ₹ 50.30 crore). Remaining sales of ₹ 491.55 crore (previous year ₹ 509.87 crore) was accounted by DPCL and its trading subsidiaries.

### Material Costs

- Raw material consumption for the year was ₹ 551.72 crore, as against ₹ 395.94 crore in the previous year.
- Inventory of raw materials decreased by ₹ 5.79 crore during the year.
- Work in process increased by ₹ 67.85 crore and finished goods decreased by ₹ 25.36 crore, respectively.



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CRAMS segment registered a turnover of ₹ 1,100.93 crore compared to ₹ 933.52 crore during the previous year. Others segment registered growth at ₹ 474.26 crore, against ₹ 451.80 crore in the previous year.

### Manufacturing Expenses

- Manufacturing expenses mainly comprise Power & Fuel ₹ 51.38 crore and Repairs & Maintenance ₹ 72.00 crore. This was against ₹ 45.84 crore and ₹ 58.46 crore, respectively, in the previous year.
- Our Manufacturing Expenses accounted for ₹ 8.77% of sales during the year, as against 8.40% during the previous year.

### Administrative, Selling and Other Expenses

- Our major components of administrative, selling and other expenses include rent, rates & taxes, legal & professional charges, clearing & forwarding, travelling & conveyance, and insurance premium, among others.
- Administrative, selling and other expenses for the year amounted to ₹ 166.49 crore as against ₹ 140.49 crore during the previous year.
- These expenses accounted for 10.66% sales during the year, as against 10.88% during the previous year.

### Employee Emoluments

- Employee emoluments (other than managerial remuneration) increased to ₹ 423.20 crore during the year, as against ₹ 412.33 crore during the previous year.

### Interest and Finance Charges

- Interest and Finance charges during the year increased to ₹ 89.71 crore, as against ₹ 92.05 crore during the previous year.

### Depreciation

- Depreciation charges for the current year amounted to ₹ 150.71 crore, as against ₹ 108.56 crore during the previous year.
- Addition to fixed assets during the year was ₹ 193.16 crore, as against ₹ 138.27 crore during the previous year.

### Provision for Tax

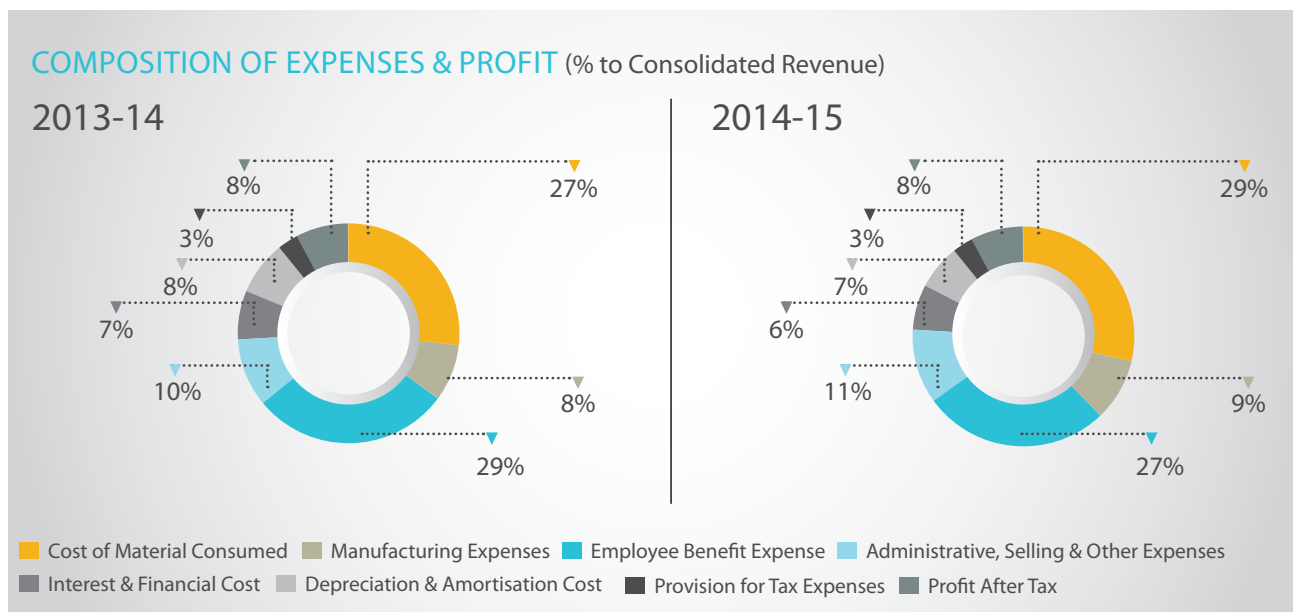
- ₹ 40.88 crore (net of MAT entitlement) was provided during the year towards current tax, as against ₹ 37.66 crore during the previous year. The Company also wrote back ₹ 1.45 crore towards deferred tax during the year, as against provision of ₹ 9.47 crore during the previous year.

### Profit After Tax

- Net Profit after Tax for the current year was ₹ 119.81 crore, as against ₹ 109.27 crore during the previous year.

### Earnings Per Share

- Basic Earnings Per Share for the current year works out to ₹ 14.85, as against ₹ 13.54 during the previous year.



## Financial Condition

### (i) Secured loans:

Secured loans stood at ₹ 805.96 crore as at 31st March, 2015, as against ₹ 877.74 crore as at 31st March, 2014.

### (ii) Unsecured loans:

Unsecured loans as on 31st March, 2015 were at ₹ 126.74 crore, as against ₹ 96.42 crore as on 31st March, 2014.

### (iii) Inventories:

Major items of inventories as of 31st March 2015 are as under:

(₹ in Crores)

Particulars	2014-2015	2013-2014
Raw Materials	145.33	151.11
Work in process	180.07	112.22
Finished goods	97.10	122.36

### iv) Debtors:

Debtors as of 31st March, 2015 amounted to ₹ 217.11 crore, as against ₹ 143.97 crore during the previous year.

### (C) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The business segments of the Company comprise the following :

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

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

(₹ in crores)

Product Segment	31/03/2013	31/03/2014	31/03/2015
CRAMS	813.25	933.52	1,100.93
Others	458.96	451.80	474.26
<b>Total</b>	<b>1,272.21</b>	<b>1,385.32</b>	<b>1,575.19</b>





Our risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritise, manage/mitigate, monitor and communicate the risks across the Company.

## INTERNAL CONTROL SYSTEMS

Your Company has a well-established system of internal control and internal audit, commensurate with its size and complexity of the business. Your Company has appropriate internal control systems for business processes with regards to efficiency of operations, financial reporting, compliance with applicable laws and regulations, among others and with the objective of safeguarding the Company's assets, ensuring that transactions are properly recorded and authorised and providing significant assurance at reasonable cost, of the integrity, objectivity and reliability of financial information.

All parameters are monitored and controlled at regular intervals. An internal audit is conducted by experienced firm of chartered accountants in close coordination with finance and account department. The findings of Audit Team are discussed internally as well as in audit committee meetings. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time. The Company is continuously upgrading its internal control system by adding better process control, various audit trails and use of external management assurance services, whenever required.

## RISK MANAGEMENT

Our Enterprise Risk Management (ERM) framework encompasses practices relating to identification, assessment, monitoring and mitigating of various risks to



key business objectives. ERM at Dishman seeks to minimise adverse impact of risks on our key business objectives and enable the Company to leverage the market opportunity effectively. Global operations and product development for regulated markets pose significant challenges and risks for the organisation. Such risks, if not identified and addressed properly in a timely manner, can adversely impact accomplishment of the overall objectives of the organisation and its sustainability.

An effective risk management framework enhances the organisation's ability to pro-actively address its risks and opportunities by determining a risk mitigation strategy and monitoring its progress on continuous basis. Our risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritise, manage/mitigate, monitor and communicate the risks across the Company.

Senior management personnel are part of our risk management structure. Plant level committees headed by senior management personnel meet at regular intervals to identify various risks, assess, prioritise the risks. After risk identification and impact assessment, appropriate strategies are made in line with overall strategic and business planning for managing/mitigating the risks. The Company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies. Audit Committee advises the Board on matters of significant concerns for redressal.

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## OPPORTUNITIES & THREATS

Major large pharmaceutical companies across the world have been witnessing a significant number of blockbuster drugs going off patent over the last few years. The new drug discovery process is also becoming more difficult with reducing success probabilities and increasing research and development costs. Furthermore, increasing competition from generic drugs is exerting pressure on the margins of the innovator pharmaceutical companies. This has opened up strong outsourcing opportunities to CRAMS players as their advantageous cost structure, shorter development times and incremental consulting expertise allows bigger pharmaceutical and biotech companies to better address future portfolio needs.

In addition to the above, another major development has been on the New Molecule Entities (NMEs) front. Most of the recent innovation in this segment has come from small to mid-sized bio-pharmaceutical organisations. This has changed the dynamics of this business as the large pharmaceutical players are increasingly become mainly marketing and finished dose form organisations.

Dishman has been able to capitalise on both these opportunities. The Company has rightly laid its focus on not only large pharmaceutical companies, but also on the small to medium pharmaceutical and biotech players. The Company continues to remain one of the leading manufacturers of various APIs/Intermediates and specialty chemicals of best quality.

## INFORMATION TECHNOLOGY

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

## INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

The Company has continued with its drive to institutionalise and upgrade its HR Process. The diversified skill sets employees possess add significant worth to a company. Every organisation which values and appreciates its human resource always succeed in their goal and receive positive results as they are Human Capital of the Organisation. Dishman always believes in the concept of human empowerment. The Company has focused on improving its process relating to Training, Development and Performance Management. It plays a pivotal role in growth of the organisation. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. Now-a-days workforce is key asset for progress of organisation.

During the year, your Company continued its efforts aimed at refining the HR policies and processes to enhance its performance. The vision and mission of the Company is to create culture and value system and behavioural skills to ensure success of its short and long-term objectives. As on 31<sup>st</sup> March, 2015, the Company has 862 employees on its roll. The Company is committed to attract, retain and develop the talents in the journey of continuous improvement progress both within and outside India. Industrial Relations continue to be cordial.

## CAUTIONARY STATEMENT

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

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# Financial Statement

# Notice

**NOTICE** is hereby given that the **Thirty Second Annual General Meeting** of the Members of **DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED** will be held on Tuesday, the 29th September, 2015 at 10.00 a.m. at H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 to transact the following business:

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance sheet as at 31st March, 2015, the Statement of Profit & Loss and Cash flow statement for the year ended on that date alongwith necessary annexures and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Arpit J. Vyas, (DIN 01540057) who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint the Joint Statutory Auditors of the company and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 for appointment of statutory auditors read with the Companies (Audit and Auditors) Rules, 2014, M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, (Firm Registration No.110240W) and M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No.103523W) be and are hereby appointed as the Joint Statutory Auditors of the Company, provided that the appointment of M/s. V. D. Shukla & Co., shall be from the conclusion of 32nd Annual General Meeting till the conclusion of 36th Annual General Meeting and the appointment of M/s. Haribhakti & Co. LLP, shall be from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting, and both appointment shall be subject to ratification by the members at every Annual General Meeting to be held during the said period."

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

## **SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** for re-appointment of Mrs. Deohooti J. Vyas (DIN 00004876), as a Whole-time Director of the Company:

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant Schedules thereto and on recommendation made by the Nomination & Remuneration Committee and Board, the consent of the Company be and is hereby accorded to the re-appointment of Mrs. Deohooti J. Vyas (DIN: 00004876) (Mrs. D. J. Vyas) as a Whole-time Director of the Company, for a further period of 5 (Five) years with effect from 3rd September, 2016, on the terms and conditions including remuneration as set out hereunder with liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination & Remuneration Committee and/or any other Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration within the parameters of the applicable laws or any amendments thereto.

**Tenure:** 5 (Five) years with effect from 3rd September, 2016. The period of office of Mrs. D. J. Vyas shall be liable to determination by retirement of Director by rotation.

**Function:** Mrs. D. J. Vyas, shall have substantial powers of management subject to direction, control and superintendence of the Board of Directors.

**Remuneration:** Subject to overall limit on remuneration payable to all Managerial Personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto, Mrs. D. J. Vyas shall be paid ₹ 15.00 lacs (Rupees Fifteen Lacs) per month and the above remuneration payable to her may comprise salary, allowances, perquisites etc. as may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro rata basis.

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

**RESOLVED FURTHER THAT** wherein a financial year during the currency of her tenure, the Company has no profits or its profits are inadequate the remuneration payable to her shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V to the Companies Act, 2013, for that year, which will be payable to her as minimum remuneration for that year.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to increase or revise the remuneration of Mrs. D. J. Vyas subject to maximum remuneration of ₹ 20.00 lacs (Rupees Twenty Lacs only) per month, from time to time during the tenure of the said five years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all the then Managerial Personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto."

## Notice (Contd.)

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for Appointment of Mr. Mark C. Griffiths (DIN 06981744), as a Director of the Company:

**"RESOLVED THAT** pursuant to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Mark C. Griffiths (DIN 06981744), a Global CEO of the Company, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. September 1, 2014 and who holds office up to the date of this Annual General meeting, and being eligible offer himself for appointment as a Director and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mark C. Griffiths for the office of the Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for Appointment of Mr. Subir Kumar Das (DIN 02237356) as an Independent Director of the Company:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Subir Kumar Das (DIN 02237356), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. December 15, 2014 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Subir Kumar Das for the office of the Director of the Company, be and is hereby appointed as an Independent Director, of the Company, not liable to retire by rotation, to hold office for five (5) consecutive years for a term up to December 14, 2019."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for Appointment of Mr. Rajendra S. Shah (DIN 00061922) as an Independent Director of the Company:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajendra S. Shah (DIN 00061922), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. April 2, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Rajendra S. Shah for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five (5) consecutive years for a term up to April 1, 2020."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for increase in remuneration of Ms. Aditi J. Vyas, Management Representative (Technical Services) of the Company:

**"RESOLVED THAT** pursuant to the provisions of Section 188 (1) of the Companies Act, 2013 and Rules made thereunder read with Clause 49 of the Listing Agreement, consent of the members be and is hereby accorded to increase in the remuneration of Ms. Aditi J. Vyas, relative of Mr. Janmejy R. Vyas, Chairman & Managing Director, Mrs. Deohooti J, Vyas, Whole-time Director and Mr. Arpit J. Vyas, Managing Director of the Company, who holds an office or place of profit in the Company as Management Representative (Technical Services), from a gross monthly remuneration of ₹ 45,434/- (Rupees Forty Five Thousand Four Hundred Thirty Four only) to ₹ 5,00,000/- (Rupees Five Lacs only) w.e.f. 1st October, 2015."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for increase in the remuneration of Ms. Mansi J. Vyas, Management Representative (Finance) of the Company:

**"RESOLVED THAT** pursuant to the provisions of Section 188 (1) of the Companies Act, 2013, and Rules made thereunder read with Clause 49 of the Listing Agreement, consent of the members be and is hereby accorded to increase in the remuneration of Ms. Mansi J. Vyas, relative of Mr. Janmejy R. Vyas, Chairman & Managing Director, Mrs. Deohooti J, Vyas, Whole-time Director and Mr. Arpit J. Vyas, Managing Director of the Company, who holds an office or place of profit in the Company as Management Representative (Finance), from a gross monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousand only) to ₹ 5,00,000/- (Rupees Five Lacs only) w.e.f. 1st October, 2015."

**Registered Office :**  
Bhadr Raj Chambers,  
Swastik Cross Roads  
Navrangpura, Ahmedabad-380 009

**By Order of the Board of Directors**

**Tushar D. Shah**  
Company Secretary

Date : 22nd August, 2015

# Notice (Contd.)

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## NOTES:

1. The relevant Explanatory Statement in respect of proposed special business pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

3. Shareholders holding shares in electronic mode are requested to notify immediately any change in their address, to their DP and Shareholders holding shares in physical mode are requested to notify any change in their address to the Registrar & Share Transfer Agent of the Company.
4. **To support 'Green Initiative' shareholders who hold shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with their concerned Depository Participant. Shareholders who holds share in physical mode are requested to register their email addresses with the Company/ Registrar.**
5. The relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, in respect of directors seeking appointment/reappointment as directors under Item Nos. 3, 5, 6, 7 & 8 above, are mentioned in relevant explanatory statement of this Notice.
6. Members/Proxies attending the meeting are requested to bring the duly completed Attendance Slip to the Meeting. Members, who have registered their email addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs, are being sent Notice of AGM by email and others are being sent by permitted mode.
7. Electronic copy of the notice of the Annual General Meeting along with Annual Report inter-alia, including remote e-voting instructions, proxy form and attendance slip is being sent to all the shareholders whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 28th August, 2015 at the email Ids registered with the Company/DP for communication purposes. For those shareholders whose name stand registered in the Register of Members as on 28th August, 2015 and who have not registered their email address, physical copies of the Notice of the Annual General Meeting along with Annual Report inter-alia, including remote e-voting instructions, proxy form and attendance slip is being sent to them in the permitted mode.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. **Tuesday, 22nd September, 2015.**
9. **E-Voting**  
In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for Remote e-voting.

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

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

## 10. General information on E-voting

- (i) The e-voting period commence on, **Saturday, 26th September, 2015 at 9.00 a.m. and ends on Monday, 28th September, 2015 at 5.00 p.m.** During this period, shareholders holding shares either in physical form or in dematerialised mode as on **Tuesday, 22nd September, 2015 (cut-off date)** may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter. Once the vote on resolution is casted by the shareholder, he shall not be allowed to change it subsequently.
- (ii) Mr. Ashok P. Pathak, Practicing Company Secretary (Membership No. ACS: -9939; CP No: 2662) (Address: F-904, Titanium City Centre, 100 ft. Anand Nagar Road, Near Indian Oil Petrol Pump, Satellite, Ahmedabad-380015) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process in a fair and transparent manner.
- (iii) The scrutinizer shall count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company
- (iv) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.
- (v) The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.dishmangroup.com](http://www.dishmangroup.com) and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited.

11. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.

12. Annual Report for the FY 2014-15 of the Company has been uploaded on website of the Company i.e. [www.dishmangroup.com](http://www.dishmangroup.com)

13. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend upto and for the financial year 2006-2007, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As per the notification issued by Ministry of Corporate Affairs (MCA), details of unclaimed dividend amounts as referred to sub section (2) of Section 125 of the Companies Act, 2013, is available on the Company's website: [www.dishmangroup.com](http://www.dishmangroup.com)

14. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during office hours on all working days, except Saturdays and Sundays, between 2.00 p.m. and 4.00 p.m. up to the date of the Annual General Meeting.

15. The Company has already notified closure of Register of Members and Share Transfer Books from **Saturday, the 12th day of September, 2015 to Tuesday, the 29th day of September, 2015 (both days inclusive)**, for determining the names of members eligible for dividend on equity Shares, if declared and approved at the Annual General Meeting.

16. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 30th September, 2015 to those members whose names appear on the Company's Register of Members on the close of business hours on Friday, 11th September, 2015. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose. In respect of shares held in physical form by the members, dividend will be paid to them after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, 11th September, 2015.

17. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.

18. Members are entitled to make nomination in respect of shares held by them. Members desirous of making nominations are requested to send the prescribed Form duly filled in and signed by them to the Depository Participants in case the shares are held in electronic form.

**INSTRUCTION FOR E\_VOTING**

- i) The voting period begins on **Saturday, 26th September, 2015, 9.00 a.m. and ends on Monday, 28th September, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22nd September, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on Shareholders.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the **EVSN 150901120** for the relevant "Dishman Pharmaceuticals and Chemicals Limited" on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## Notice (Contd.)

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- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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### • Contact Details

<b>Company</b>	<b>Dishman Pharmaceuticals and Chemicals Ltd.</b>
Registrar & Transfer Agent Ahmedabad Office	Link Intime India Pvt. Ltd. Units 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shopprs Plaza II, off C. G. Road, Ahmedabad - 380 009.
e-Voting Agency	Central Depository Services (India) Limited Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	Mr. Ashok P. Pathak, Practicing Company Secretary Email: <a href="mailto:csashokppathak@gmail.com">csashokppathak@gmail.com</a>

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## **Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement**

The following Explanatory Statements sets out all material facts relating to the special business mentioned in the accompanying Notice dated 22nd August, 2015.

### **ITEM NO. 3**

Mr. Arpit J. Vyas (Mr. A. J. Vyas), aged 29 years, is a son of Mr. Janmejy R. Vyas, Chairman & Managing Director and of Mrs. Deohooti J. Vyas, Whole-time Director of the Company. He is a Chemical Engineer. He has completed his Chemical Engineering from University of Aston, Birmingham. He has very good experience in the field of Marketing. He is instrumental in the strategic decision making in Marketing Policies and overall operation of Company's Plants. He is in-charge of Disinfectant division and Naroda Plant and also looking after day-to day affairs of the Bavla Plant of the Company. Mr. A. J. Vyas was appointed as a Whole-time Director of the Company by the Board of Directors at its meeting held on June 1, 2009,

Thereafter, he was appointed as Managing Director of the Company with effect from May 28, 2013

Recently, he has been also appointed as a CFO of the Company w.e.f. July 17, 2015 by the Board of Directors at its meeting held on July 17, 2015. He holds 12563975 Equity Shares of the Company. Apart from this Company, he holds following directorships.

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Designation</b>	<b>Committee</b>	<b>Member / Chairman</b>
1.	Schutz Dishman Biotech Ltd	Director	-	-
2.	Carbogen Amcis (India) Ltd.	Director	-	-
3.	Azafran Innovacion Ltd.	Director	-	-
4.	Dishman Care Ltd.	Director	-	-
5.	Leon Hospitality Pvt. Ltd.	Director	-	-
6.	Carbogen Amcis AG*	Director	-	-
7.	Dishman Pharma Solution AG*	Director	-	-
8.	Dishman Europe Ltd.*	Director	-	-

\* Directorship in Foreign Companies

By virtue of Section 152 of the Companies Act, 2013, he retires by rotation and being eligible, offers himself for re-appointment. Your Directors, therefore, recommend Resolution at item No. 3 of the accompanying Notice, for your approval. Mr. J. R. Vyas, Chairman & Managing Director and Mrs. Deohooti J. Vyas, Whole-time Director of the Company may be considered as concerned and interested as being relatives of Mr. A. J. Vyas and Mr. A. J. Vyas himself be considered as interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise,. This statement considered as a disclosure under Clause 49 of the Listing agreement with the Stock exchanges

### **ITEM NO. 5**

Mrs. Deohooti J. Vyas (Mrs. D. J. Vyas), aged 63 years, is a wife of Mr. Janmejy R. Vyas, Chairman & Managing Director of the Company and mother of Mr. Arpit J. Vyas, Managing Director & CFO of the Company. Mrs. D. J. Vyas has been appointed as Wholetime Director by the Board of Directors of the Company at its meeting held on 26th May, 2011, for a period of five years w.e.f. 3rd September, 2011 upon the recommendation of Remuneration Committee held on 26th May, 2011. Her appointment as such was made with the increased remuneration of ₹ 10.00 lacs per month with a power to the Board to increase or revise the remuneration subject to maximum of ₹ 15.00 lacs per month during the tenure of said five years. The members in terms of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, approved her appointment & Remuneration, at the Annual General Meeting of the Company held on 29th July, 2011. The appointment of Mrs. D. J. Vyas was made for a period of five years, which expires on 2nd September, 2016.

Mrs. D. J. Vyas holds a bachelor degree in Science. She has very rich experience in the field of Administration and Human Resource development. She is associated with the Company since 1st December, 1997 and day by day her work and responsibilities has been also increased with the rapid growth of the Company. She is instrumental in the strategic decision making in HR Policy. It is in the interest of the Company to continue to avail her services for the growth and conduction of affairs and business of the Company and take advantage of her wide and rich experience, by re-appointing her as a Wholetime Director of the Company for a further period of five years with effect from 3rd September, 2016.

She holds 10964500 Equity Shares of the Company. Apart from this Company, Mrs. D. J. Vyas holds following directorships.

# Notice (Contd.)

Sr. No.	Name of the Company	Designation	Committee	Member / Chairman
1.	Schutz Dishman Biotech Ltd	Director	-	-
2.	B. R. Laboratories Ltd.	Director	-	-
3.	Bhadr Raj Holding Pvt. Ltd	Director	-	-
4.	Azafran Innovacion Ltd.	Director	-	-
5.	Adimans Technologies Pvt. Ltd.	Director	-	-
6.	Dishman Care Ltd.	Director	-	-
7.	Leon Hospitality Pvt. Ltd.	Director	-	-

Taking into consideration the existing remuneration and responsibility of Mrs. D. J. Vyas and improved performance of HR and Administration Department under her able guidance & control and based on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 28th May, 2015 approved the re-appointment for a further period of 5 years w.e.f. 3rd September, 2016 and increase in her remuneration from existing ₹ 10.00 lacs to ₹ 15.00 lacs per month with a power to Nomination and Remuneration Committee and Board to increase or revise her remuneration to maximum remuneration of ₹ 20.00 lacs per month, from time to time during the tenure of said five years, subject to approval of the members. There is no other variation in terms of her re-appointment except remuneration.

This may be treated as an abstract of the terms of the draft resolution for the re-appointment of Mrs. D. J. Vyas as Wholetime Director of the Company, pursuant to Section 190 of the Companies Act, 2013.

Her re-appointment as Wholetime Director and payment of remuneration is permissible in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act without the approval of Central Government, if her re-appointment is approved by the Members in General Meeting.

Your Directors, therefore, recommend a Special Resolution at item No.5 of the accompanying Notice, for your approval. Mr. J. R. Vyas, Chairman & Managing Director and Mr. Arpit J. Vyas, Managing Director & CFO of the Company may be considered interested as being relatives of Mrs. D. J. Vyas and Mrs. D. J. Vyas herself be considered as interested in the said resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 5. This Explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

## ITEM NO. 6

Mr. Mark C. Griffiths, aged 51 years is a Global CEO of the Company. He was appointed as an Additional Director w.e.f. September 1, 2014 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting.

Mr. Mark Griffiths is a Master of Science (Msc.) and Mechanical Engineering from University of Bristol. He has extensive and expertise background within the technical and Pharma industry and strong leadership management having more than 32 years experience in Business Strategy, Operation, Facility & Plant engineering design for pharmaceuticals and chemical operations. He was Co-founder and joint owner of COSAM Developments Ltd., a multi-discipline Pharmaceutical consultancy firm.

He holds Nil Equity shares of the Company. Apart from this Company, Mr. Mark C. Griffiths holds following Directorships.

Sr. No.	Name of the Company	Designation	Committee	Member / Chairman
1.	Carbogen Amcis AG*	Director (CEO)	-	-
2.	Covam Ltd.*	Director (CEO)	-	-
3.	Dishman Europe Ltd.*	Director (CEO)	-	-
4.	Dishman Netherlands B.V.*	Director (CEO)	-	-

\* Directorship in Foreign Companies

In this regard the Company has received a request in writing from a member of the company proposing Mr. Mark C. Griffiths candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Mr. Mark C. Griffiths as a Director and hence recommend an ordinary resolution as set out in item no.6 of the accompanying Notice for your approval.

# Notice (Contd.)

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Except Mr. Mark G. Griffiths, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution. This Explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing agreement.

## **ITEM NO. 7**

Mr. Subir Kumar Das, aged 62 years, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 15th December, 2014 and shall hold office up to the date of the ensuing Annual General Meeting as per the provisions of section 161 of the Company's Act, 2013. Being an Independent Director as per section 149 of the Companies Act, 2013 and clause 49 of the listing agreement, he was also appointed as member of the Audit Committee and Nomination and Remuneration Committee of the Company.

He holds Master degree in Management Studies (Finance) from Banaras Hindu University, Varanasi. He has also done M.Sc. (Chemistry) from Lucknow University. He has also done CAIB from Indian Institute of Bankers, Mumbai.

He is retired General Manager of Bank of Baroda (BOB) and having very rich and wide experience of over 35 years in the field of Banking, Administration and Management. During his service with banking industry he has served in various positions and retired in 2013 as Chief General Manager (HR & CSR) from Bank of Baroda. During association with BOB, he has drafted and implemented various HR Policies and CSR Policy. He also served as Advisor to the Chairman and Managing Director in BOB. Presently working as Guest Faculty in various organization since June 2014 and take session on Innovation, Strategy, Human Resource Management, and Leadership.

He holds Nil Equity Shares of the Company. Apart from this Company, he holds directorship in Indsur Global Ltd. in which he is neither the Chairman nor Member in any Committee.

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Subir Kumar Das fulfills the conditions specified in the Act and the Rules made there under and eligible to be appointed as an Independent Director pursuant to the provisions of Section 149 of the Act.

The Board of Directors of your Company is also of the opinion that Mr. Subir Kumar Das is an independent of the management of the Company.

The Company has received a Notice in writing from a member, along with the requisite deposit of money proposing, his candidature for the office of Director of the Company under Section 160 of the Companies Act, 2013. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Subir Kumar Das as an Independent Director.

Accordingly, the Board recommends an ordinary resolution at item No.7 of the accompanying Notice in relation to appointment of Mr. Subir Kumar Das as an Independent Director for five consecutive years for a term upto 14th December, 2019 pursuant to the provisions of Section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Act, Mr. Subir Kumar Das shall not be liable to retire by rotation.

Except Mr. Subir Kumar Das, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

## **ITEM NO. 8**

Mr. Rajendra S. Shah, aged 67 years, has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 2nd April, 2015 and shall hold office up to the date of the ensuing Annual General Meeting as per the provisions of section 161 of the Companies Act, 2013. As per the provision of section 149 of the Companies Act, 2013 and clause 49 of the listing agreement he has been considered as an Independent Director.

Mr. Rajendra S. Shah holds Bachelor's Degree in Mechanical Engineering from LE Engineering College, Morbi. He is the Founder Promoter of Harsha Engineers Limited (HEL) manufacturer of Bearing Cages of any material, any type and Auto Components. Mr Shah has over 35 years of rich and varied experience as an Industrialist. Under his able guidance and leadership the HEL has achieved turnover of more than ₹ 300 crores.

He is also serving as a President of Society for the Welfare of the Mentally Retarded-a parents organization working for Welfare of Mentally Challenged Children's, running under the name "AASTHA" a vocational rehabilitation center for mentally challenged persons having age above 21 years.

He is also been Awarded as "Best Entrepreneur" by the Ahmedabad Management Association, Ahmedabad in 2001.

He holds Nil Equity shares of the Company. Apart from this Company, Mr. Shah holds following Directorships.

# Notice (Contd.)

Sr. No.	Name of the Company	Designation	Committee	Member / Chairman
1.	Harsha Engineers Ltd.	Whole-time Director	Corporate Social Responsibility	Chairman
2.	AIA Engineering Ltd.	Director	Audit Committee	Chairman
			Stakeholders Relationship Committee	Member
			Nomination and Remuneration Committee	Chairman
3.	Transformers and Rectifiers (India) Ltd.	Director	Audit Committee	Chairman
			Shareholders and Grievance Committee	Member
			Remuneration Committee	Member
			Corporate Social Responsibility	Member
4.	Welcast Steels Ltd.	Director	-	-
5.	Harsha Engineers (India) Pvt. Ltd.	Director	-	-
6.	Shilp Gravures Ltd.	Director	-	-
7.	Harsha Abakus Solar Pvt. Ltd.	Director	-	-
8.	Harsha Renewable Energy Pvt. Ltd.	Director	-	-
9.	Harsha Precision Bearing Components (China) Co. Ltd.	Director	-	-

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Rajendra S. Shah fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as an Independent Director pursuant to the provisions of Section 149 of the Act.

The Board of Directors of your Company is also of the opinion that Mr. Rajendra S. Shah is independent of the management of the Company.

The Company has received a Notice in writing from a Member, along with the requisite deposit proposing, his candidature for the office of Director of the Company under Section 160 of the Companies Act, 2013. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajendra S. Shah as an Independent Director.

Accordingly, the Board recommends an ordinary resolution as set out in item No.8 of the accompanying Notice in relation to appointment of Mr. Rajendra S. Shah as an Independent Director for five consecutive years for a term upto 1st April, 2020 pursuant to the provisions of Section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Act, Mr. Rajendra S. Shah shall not be liable to retire by rotation.

Except Mr. Rajendra S. Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

## ITEM NO. 9

Ms. Aditi J. Vyas, daughter of Mr. Janmejy R. Vyas, Chairman & Managing Director of the Company holds an office or place of profit in the Company as Management Representative (Technical Services) of the Company since 25th July, 2005 on a gross monthly remuneration of ₹ 45,434/- (Rupees Fourty Five Thousand Four Hundred Thirty Four only). Her appointment as such was approved by the Board of Directors of the Company at its meeting held on 29th July, 2005 and also by the Members of the Company in terms of Section 314 (1)(b) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 26th September, 2005.

Ms. Aditi J. Vyas is a Science Graduate with the major subject Chemistry from Gujarat University. She also holds the degree of B. (Hons) in Chemical Engineering from University College London (UCL), UK. She has a very good experience mainly in the area of Engineering Research and Purchase of Engineering Equipments and analytical lab equipments. She is associated with the Company since 2005 and day by day her work and responsibilities have also been increased with the rapid growth of the Company.

Ms. Aditi has, during her association with the Company since last ten years, gained considerable and useful experience in multiple activities. Her experience has been successfully utilized for the various technical services.

In view of her valuable contribution during last ten years, it is found advisable to increase her remuneration. Considering this, Nomination & Remuneration Committee has recommended for and the Board of Directors of the Company at its meeting held on 28th May, 2015 approved increase in her gross monthly remuneration from existing level of ₹ 45,434/- (Rupees Fourty Five Thousand Four Hundred Thirty Four only) to ₹ 5.00 lacs (Rupees Five Lacs only), subject to approval of the members. There is no other variation in terms of her appointment except remuneration.

# Notice (Contd.)

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As gross monthly remuneration proposed to be paid to Ms. Aditi J. Vyas is ₹ 5.00 lacs (i.e. more than threshold limit of ₹ 2.50 lacs), approval of shareholders by way of an ordinary resolution is required as per the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and Its Powers) Rules, 2014.

Your Directors, therefore, recommend an Ordinary Resolution at item No.9 of the accompanying Notice, for your approval. Mr. Janmejy R. Vyas, Chairman & Managing Director; Mrs. Deohooti J. Vyas, Whole-time Director and Mr. Arpit J. Vyas, Managing Director & CFO of the Company, who may be deemed to be interested in the proposed resolution as Ms. Aditi J. Vyas is relative of them.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice.

## **ITEM NO. 10**

Ms. Mansi J. Vyas, daughter of Mr. Janmejy R. Vyas, Chairman & Managing Director of the Company holds an office or place of profit in the Company as Management Representative (Finance) of the Company since 25th July, 2005 on a gross monthly remuneration of ₹ 45,434/- (Rupees Fourty Five Thousand Four Hundred Thirty Four only). Her appointment as such was approved by the Board of Directors of the Company at its meeting held on 29th July, 2005 and also by the Members of the Company in terms of Section 314 (1)(b) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 26th September, 2005. Thereafter, her remuneration has been further increased from ₹ 45,434/- (Rupees Fourty Five Thousand Four Hundred Thirty Four only) to ₹ 2.50 lacs (Rupees Two Lacs Fifty Thousand only) per month w.e.f. 1st August, 2011, by way of special resolution passed at the Annual General Meeting of members of the Company held on 29th July, 2011.

Ms. Mansi J. Vyas is a B.Sc.(Hons) International Hospitality and Tourism Management from the University of Surrey, Guildford UK and she has also done her MBA in International Hospitality Management from Ecole Hoteliere Lausanne, Switzerland. She has very good strategic skills and has experience in the area of Managerial Finance and Marketing. She is associated with the Company since 2005 and day by day her work and responsibilities has also been increased manifold with the rapid growth of the Company.

Ms. Mansi has, during her association with the Company since last ten years, gained considerable and useful experience in multiple activities. Her experience has been successfully utilized for the various expansion projects at Company's Bavla Plant. Although, she has been appointed since 2005 and in view of her valuable contribution since last ten years, it is found advisable to increase her remuneration. Considering this, the Nomination & Remuneration Committee has recommended for and the Board of Directors of the Company at its meeting held on 28th May, 2015 approved increase in her gross monthly remuneration from existing level of ₹ 2.50 lacs to ₹ 5.00 lacs, subject to approval of the members. There is no other variation in terms of her appointment except remuneration.

As the gross monthly remuneration proposed to be paid to Ms. Mansi J. Vyas is ₹ 5.00 lacs (i.e. more than threshold limit of ₹ 2.50 lacs), approval of shareholders by way of an ordinary resolution is required as per the provisions of Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and Its Powers) Rules, 2014.

Your Directors, therefore, recommend an Ordinary Resolution at item No.10 of the accompanying Notice, for your approval. Mr. Janmejy R. Vyas, Chairman & Managing Director; Mrs. Deohooti J. Vyas, Whole-time Director and Mr. Arpit J. Vyas, Managing Director & CFO of the Company, who may be deemed to be interested in the proposed resolution as Ms. Mansi J. Vyas is relative of them.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10 of the accompanying Notice.

**Registered Office :**  
Bhadra Raj Chambers,  
Swastik Cross Roads,  
Navrangpura, Ahmedabad-380009

**By Order of the Board of Directors**

**Tushar D. Shah**  
**Company Secretary**

Date : 22nd August, 2015

# Directors' Report

**To**  
**The Shareholders of**  
**Dishman Pharmaceuticals and Chemicals Limited**

Your Directors have pleasure in presenting their Report along with the Audited Accounts of the Company for the year ended March 31, 2015.

(₹ in Lacs)

## FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2014-2015	2013-2014	2014-2015	2013-2014
<b>Net Sales</b>	<b>47869.31</b>	47328.11	<b>157518.77</b>	138532.00
Profit before tax & other adjustments	<b>10382.59</b>	11883.64	<b>15924.71</b>	15640.24
Net current tax expenses	<b>2701.64</b>	2528.05	<b>4088.38</b>	3766.24
Deferred tax liability	<b>1833.12</b>	676.93	<b>(144.57)</b>	946.76
<b>Profit After Tax</b>	<b>5847.83</b>	8678.66	<b>11980.90</b>	10927.24
Balance of profit brought forward	<b>11853.28</b>	5807.56	<b>42114.18</b>	33819.88
Amount available for appropriation	<b>17701.11</b>	14486.22	<b>54095.08</b>	44747.12
Adjustment of Depreciation	<b>(110.69)</b>	-	<b>(131.89)</b>	-
<b>Appropriations:</b>				
Transfer to debenture redemption reserve	-	-	-	-
Transfer to general reserve	<b>1500.00</b>	1500.00	<b>1500.00</b>	1500.00
Proposed dividend	<b>1613.94</b>	968.37	<b>1613.94</b>	968.37
Tax on proposed dividend	<b>328.56</b>	164.57	<b>328.56</b>	164.57
Balance carried to balance sheet	<b>14147.92</b>	11853.28	<b>50520.69</b>	42114.18

## PERFORMANCE AND OPERATION REVIEW

### Standalone Financial Results

In FY2014-15, your Company achieved a turnover of ₹ 47869.31 lacs as compared to ₹ 47328.11 lacs in FY2013-14. Profit before tax stood at ₹ 10382.59 lacs in FY2014-15 as against ₹ 11883.64 lacs in FY2013-14. Profit after tax for the year remain at ₹ 5847.83 lacs in FY2014-15 as compared to ₹ 8678.66 lacs in FY2013-14.

Earning per share for the FY2014-15 remains at ₹ 7.25 per share as against ₹ 10.75 per share in FY 2013-14.

### Consolidated Financial Results

In FY2014-15, your Company achieved a turnover of ₹ 157518.77 lacs as compared to ₹ 138532.00 lacs in FY2013-14. Profit before tax stood at ₹ 15924.71 lacs in FY2014-15 as against ₹ 15640.24 lacs in FY2013-14. Profit after tax for the year remain at ₹ 11980.90 lacs in FY2014-15 as compared to ₹ 10927.24 lacs in FY2013-14.

Earning per share for the FY2014-15 remains at ₹ 14.85 per share as against ₹ 13.54 per share in FY 2013-14.

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

## DIVIDEND

For the financial year 2014-2015, the Board of Directors of your Company have decided to increase dividend for higher return on investment made by the shareholders of the Company. Your Directors are pleased to recommend a final dividend of 100% on the paid-up equity share capital of ₹ 1613.94 lacs (₹ 2.00/- per equity share of ₹ 2/- each) (previous year 60% on the paid-up equity share capital of ₹ 1613.94 lacs, i.e. ₹ 1.20/- per equity share of ₹ 2/- each), subject to approval of shareholder at ensuing Annual General Meeting and will be paid out of the profits of the Company for the year to all those equity shareholders whose names appear in the Register of Members on the close of business hours as on 11th September, 2015.

## TRANSFER TO RESERVES

The Company proposes to transfer ₹ 15.00 crores (previous year ₹ 15.00 crores) to the General Reserves out of the amount available for appropriation.

# Directors' Report (Contd.)

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## **DEPOSIT**

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

## **NON CONVERTIBLE DEBENTURES (NCDs)**

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

During the year, as per the terms of said NCD, on 18th February, 2015, the Company has redeemed 20% of the Non convertible Debenture (first Tranche) issued by the Company in February, 2010 and accordingly; Company has paid ₹ 22.76 Cr. towards principal payment and interest thereon to the Debenture holders. Now, as on 31st March, 2015, there is an outstanding NCD -I (first tranche) amounting to ₹ 45.00 crores.

• In June, 2010, the Company has issued second tranche of its Secured Redeemable Non- convertible Debentures (NCD) of ₹ 75.00 crores in the form of Separately Transferable Redeemable Principle Parts ("STRPPs") of ₹ 1.00 lac each fully paid-up on private placement basis and the said NCDs have also been listed on the Bombay Stock Exchange Ltd. (BSE) in the list of securities of F Group - Debt Instruments w.e.f. 17th September, 2010. These NCDs will be redeemed at par at the end of 4th & 5th year in the ratio of 50:50, respectively from the date of issue.

During the year, as per the terms of said NCD, on 16th June, 2014, the Company has redeemed 50% of the NCD-II (second tranche) issued by the Company in June, 2010 and accordingly; Company has paid ₹ 38.25 crores towards principal payment and interest thereon to the Debenture holders. Now, as on 31st March, 2015, there is an outstanding NCD-II (second tranche) amounting to ₹ 37.50 crores.

The Company is paying interest on the said NCDs regularly on the due dates. As per the Circular No. 04/2013 dated 11th February, 2013 issued by Ministry of Corporate Affairs, Government of India, Company had created Debenture Redemption Reserve (DRR), in respect of both tranches of NCDs issued by the Company. The Company has deposited an amount of ₹ 9.00 Crores, by way of fixed deposit with Corporation Bank, being 15% of the maturing amount of ₹ 60.00 Crores, which is going to be matured during the Financial Year 2015-2016.

## **OPERATIONS**

During the year, most of the key business verticals of the Company and also all major subsidiaries of the Company have performed reasonably well.

## **CRAMS**

For the "CRAMS" segment of Dishman India, as you are aware, since the last three years, your Company has modified its focus and is now concentrating on a larger number of midsize contracts, instead of concentrating only on a few large MNCs. Your Company's strategy has started yielding fruits since last 2 years whereby apart from the big pharma companies your Company has been getting many orders from small and big and mid-sized pharma companies which has resulted into diversified portfolios in this segment in India and has also helped your Company in having a greater degree of predictability of the revenues. Your Company's 100% wholly owned subsidiary - CARBOGEN AMCIS AG Switzerland(CAAG), which is also operating in the CRAMS segment through its plant located in Switzerland and UK has done quite well during the year under review. In fact, CAAG's order book is almost full, and as a strategic measure, during the year under review, the China facility has been now put under the management of CAAG to cater to their gap of not having large volume manufacturing. We are happy to note that CAAG has expanded its markets significantly and also improved the product basket between Dishman India and Carbogen Amcis or Dishman Group, your Company now has the capability of offering complete solutions in the organic chemistry space in the CRAMS segment. Further, the performance of CARBOGEN AMCIS UK has also remained very satisfactory during the year under review.



# Directors' Report (Contd.)

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We are also delighted to inform the members that during FY 2014-15, Dishman Group has also made remarkable progress specifically in terms of the Oncology space, thanks to the focused hard work in the development process by partnering with many Oncology companies over last few years. Thus Dishman Group bagged a prestigious order for supply of high value added Oncology API for a highly effective Lung Cancer drug to a leading mid size Oncology Formulation company based out of US. Further, many such products are in pipeline.

Your Company is confident of achieving a steady and sustainable growth in this segment in the coming years.

## **Hi-Po Unit**

The state-of-the-art Hi-Potency (Hi-Po unit) - Unit 9 at Bavla has performed well during the year under review. Your Company has started receiving regular as well as repeated orders from major global pharma MNCs who are very excited about the type of the facility and infrastructure created in this unit. Again noteworthy is the fact that, apart from the on going projects, your Company has successfully completed a few technology transfer projects from CARBOGEN AMCIS to this unit which implies a significant scaling up of the production of such high value-added and extremely potent pharma APIs mainly in the oncology category. As you are aware, this is one of its kind facility not only in India, but in the entire world, which is capable of handling extremely high potency molecules in large volumes with a specific focus on the therapeutic segments of oncology, steroids, among others. Regular business has started coming in steadily from leading Global MNCs. For the current year, your Company has already an order book/visibility of around US\$ 12 million for this unit with only 2 of the possible 5 cells fitted and at its optimum capacity the target is to achieve a top line of around US\$ 25-30 million over next 2 to 3 years for which a good visibility exists. Again, this is a high-margin segment which will also help in improving the bottom line of your Company and more importantly, the products when launched, will improve the life expectancy of many unfortunate people affected with such deadly diseases.

## **Vitamin D3**

During the year under review, the Vitamin D3 Business has also performed satisfactorily. This Business is of the WOS namely Dishman Netherland B.V., which is having its plant in Netherlands producing cholesterol, the key raw material for Vitamin D3. During the year under review, the said company has changed its strategy for this Business and is now concentrating on selective business, which has yielded good results in the form of increased profitability.

## **Generic API Business**

The growth of Generic API business during the year has been slightly subdued, but still satisfactory. The idea is to take the advantage of several products already developed by the Company in the form of around 25 to 30 potential good generic APIs for which the Company has enough data available to immediately file the DMFs in the regulated market. The key focus will be only on the regulated markets where the Company would be in a position to get a better value addition and comfortable profit margin.

## **Performance of China WOS**

As indicated earlier, during the year under review, post taking over of the operations of china plant by CAAG, its performance has improved and the losses have considerably reduced. In FY 2014-15. Your Company is fairly confident of turning around Dishman China in the fiscal year FY2015-16.

## **Performance of Major Subsidiaries**

The major subsidiary Companies have performed quite satisfactorily during the year under review. CARBOGEN AMCIS AG., Switzerland has reported a healthy revenue of ₹ 786.91 crores as against ₹ 621.28 crores in the previous year and PBT of ₹ 67.42 crores as against ₹ 56.12 crores. CAROGEN AMCIS Ltd., UK has also reported a healthy revenue of ₹ 80.22 crores as against ₹ 52.27 crores in the previous year and PBT of ₹ 13.65 crores as against ₹ 8.34 crores.

The other marketing subsidiaries viz. Dishman Europe Ltd., reported a revenue of ₹ 257.93 crores and PBT of ₹ 1.76 crores as compared to ₹ 274.36 crores and PBT of ₹ 8.72 crores in the previous year. Dishman USA reported a revenue of ₹ 95.87 crores and PBT of ₹ 1.89 crores showing growth of 8.58% and 43.18%, respectively, as compared to last year.

Dishman Netherland BV., (DNBV) perform well during the year, revenue of DNBV increased by 10.94% during FY 2014-15, which stood at ₹ 196.52 crores and PBT has been increased to ₹ 31.89 crores from ₹ 6.66 crores in the previous year. Other subsidiaries has also performed reasonably well during the year under review.

# Directors' Report (Contd.)

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## **RESEARCH AND DEVELOPMENT**

We continue to focus on Research & Development as our core strength. Our research is the foundation upon which our strategy of manufacturing and marketing of Bulk Drugs, Intermediates (including contract manufacturing), Fine Chemicals, Quats & Specialty chemicals stands.

We offer process development and optimisation services from our Ahmedabad-based state-of-the-art R&D centre and from other locations outside of India. At the Ahmedabad R&D centre which is in operation since 2005, our Process R&D scientists work in well-equipped laboratories, with an excellent analytical set-up for monitoring the reactions. Our development programs are designed to meet diverse customer expectations varying from project to project. We are considering refurbishment of the R&D laboratories.

A majority of our process development activities are aimed towards optimising our existing processes. Our prime objective is to make these processes economically and environmentally viable. During the period of development, safety and efficiency parameters of these processes is assumed most significance.

Amidst the ongoing changing regulatory scenario on drug design, we develop processes capable of producing pure APIs, with impurities well below the acceptable levels. Currently, there are 25 NCE Molecules under the laboratory to pilot scale production and some also at commercial scale due to the high volume requirement to supply material for multiple clinical trials for various indications. The IPR of a few of these have been given to customers against "agreed-upon payments". Many of these IPR are owned by the Company.

In the Generic API segment, we are focusing on new and niche therapeutic areas in the segment of generic APIs. For developmental activities, our research scientists have access to online databases for all types of information requirement.

In this year, about 150 projects are at different stages of development of these, 100 CRAMS projects, 25 Generic APIs, about 25 NCE Molecules are currently under laboratory/pilot scale and commercial production IPR for some of them are given to customers against agree-upon payments but for many of them IPR is owned by Dishman.

## **QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE)**

Your company is committed to ensuring that those working with the Company are safe at work, and that everyone takes responsibility for achieving this. We include EHS and climate change-related considerations in our business decisions and strive to minimize the environmental impact of our operations on the environment. Measuring, appraising and reporting on environmental, health and safety performance is an important part of continuous improvement in our EHS performance.

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

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

The Company's QHSE policy is being implemented, among others, through (i) Maintaining the "Zero Discharge" of waste water by series of treatment; (ii) Stripper system, Multiple effect evaporator and ATFD for concentrated effluent stream; (iii) Practicing On-site emergency plan by conducting mock-drills; (iv) Replacement of hazardous process / chemical to non-hazardous process for converting to low hazards; (v) Fire detection and protection system available at site; (vi) Conducting intensive QHSE training programs including contractor employees; (vii) Participation of employees in Safety committee meetings at all levels and celebrating the National Safety Day, Fire Service Day, World Environment Day and World Earth Day; (viii) Independent safety and environment audits at regular intervals by third party and also in-house; (ix) In-house medical and health facility at site for pre-employment & periodical medical check-up of all employees including contract employees; (x) Blood Donation Camp at site for social cause; (xi) Participation and paper presentation on good practices adopted by dishman on SHE management in National and International Conferences. (xii) Rated low risk facility by various international Customer by conducting EHS audit in depth.

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

# Directors' Report (Contd.)

In its pursuit of excellence towards sustainable development and to go beyond compliance, Dishman integrated its ISO:14001 EMS, ISO:9001 QMS and ISO:18001 OSHA management systems and certified for HACCP and FAMI-Qs for Vitamin D3 plant. The company is in process of getting the ISO 13485 Certification for Medical Disinfectant Products.

Your Company's efforts are recognized by State Level, National Level and International level Awards from time to time. This year Company has been awarded the most prestigious award by way of Certificate of Appreciation for Naroda Site from National Safety Council.

Indian chemical Council (ICC) has authorized Dishman Pharmaceuticals for use of Responsible Care Logo.

## LISTING

The equity shares of the Company are listed on the National Stock Exchange of India Ltd., Mumbai (NSE) and Bombay Stock Exchange Ltd., Mumbai (BSE). Annual listing fees for the FY 2015-2016, as applicable, have been paid before due date to the concerned Stock Exchanges.

The Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 150 crores issued by the Company in two tranches is also listed at Bombay Stock Exchange Ltd., Mumbai (BSE). Annual listing fees for the FY 2015-2016, as applicable, have also been paid before due date to the BSE.

## FORMATION OF VARIOUS COMMITTEES

Your Company has several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

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

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

## DISCLOSURES UNDER THE COMPANIES ACT, 2013

### i) Extract of Annual Return

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

### ii) Board Meetings

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

During the FY 2014-15, the Board met Five (5) times i.e. 16th May, 2014, 28th May, 2014, 13th August 2014, 13th November, 2014 and 13th February, 2015. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

### iii) Related Party Transactions

Since all the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure B** to this Board's report. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions has been approved by the Board and uploaded on the website of the Company. The details of the transactions with Related Party are provided in the accompanying financial statements vide note no. 27.15 of notes on financial statement as per requirement of Accounting Standard

# Directors' Report (Contd.)

18-related party disclosure issued by ICAI. These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

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

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

#### **v) Material Changes and Commitments Affecting the Financial Position of the Company**

There are no significant and material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

#### **vi) Subsidiaries, Joint Ventures and Associate Companies**

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

- Dishman Arabia Ltd. liquidated during the year under review.
- Dishman Japan Ltd. became wholly owned subsidiary of the Company (earlier Company holds 85%)
- Shanghai Yiqian International Trade Co. Ltd. formed by our wholly owned subsidiary company Shanghai International Trading Co. Ltd.

In view of the above, the total number of subsidiaries including wholly owned subsidiaries as on 31 March, 2015 was Eighteen (18), One (1) Joint Venture and one (1) Associate company.

#### **CONSOLIDATED FINANCIAL STATEMENT**

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Clause 41 of the Listing Agreement, your Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of the Annual Report.

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

As required under Clause 32 of Listing Agreement with the stock exchange(s) and in accordance with the requirements of Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, the Company has prepared Consolidated Financial Statements of the Company and its subsidiaries and is included in the Annual Report.

While preparing the consolidated financial statements, Company has consolidated the accounts of one Joint Venture companies namely Schutz Dishman Biotech Ltd. (22.33% holding by the Company) and one associate company namely, Bhadra Raj Holdings Pvt. Ltd. (40% holding by the Company), as per the requirements of Accounting Standard 27 (AS-27) and Accounting Standard 23 (AS-23) respectively.

#### **GENERAL DISCLOSURE**

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

During the year 2014-2015, the Company has not issue any of Equity Shares with differential rights as to dividend, voting or otherwise.

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

During the year under review, the Company has passed enabling resolution for issue of shares under ESOS to the employee of the company and employee of subsidiary company by way of postal ballot which was approved by the shareholder on 13th January, 2015. However, the Company has not issued any shares under ESOS.

##### **iii) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries. :**

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

# Directors' Report (Contd.)

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## **iv) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.**

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

## **DIRECTORS & KMPs**

### **Retire by Rotation**

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

### **Reappointment of Director**

The term of Ms. Deohooti J. Vyas as whole time Director expires on 2nd September, 2016. The Board, therefore, recommends their re-appointment as Whole time director of the Company for the approval of the members at the ensuing Annual General Meeting.

### **Appointment of Director**

The Board of Directors at their meeting held on 13th August, 2014, have approved the appointment of Mr. Mark Christopher Griffiths, a Global CEO of the Company, as an Additional Director of the Company, with the effect from September 1, 2014, whose term of office is upto the date of this Annual General Meeting in accordance with the applicable provisions of the Articles of Association and the Companies Act, 2013. The matter of appointing him, as regular director, liable to retire by rotation, appears as Item No. 6 in the Notice of the 32nd Annual General Meeting.

Mr. Subir Kumar Das and Mr. Rajendra S. Shah were appointed as an Additional Directors designated as an Independent Director w.e.f. 15th December, 2014 and 2nd April, 2015, respectively. The approval of members for their appointment as an Independent Directors is being sought vide item Nos. 7 & 8 in the Notice of the 32nd Annual General Meeting.

### **Statement of Declaration by Independent Directors**

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

### **Cessation**

During the year, Mr. Yagneshkumar B. Desai, resigned as a Director of the Company with effect from 13th December, 2014. The Directors place on record their appreciation of the valuable advice and guidance given by him during his tenure.

### **Key Managerial Personnel**

During the year under review, Mr. Rajashekhar Bhat, Chief Financial Officer has been appointed as Key Managerial Personnel w.e.f. 1st April, 2014 in terms of Section 203 of the Companies Act, 2013. Mr. Rajashekhar Bhat, Chief Financial Officer has resigned from the Company w.e.f. 20th January, 2015.

### **Board Evaluation & Criteria**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Board of Directors expressed their satisfaction with the evaluation process.

### **Board diversity**

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

### **Policy on Director's appointment and remuneration**

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

# Directors' Report (Contd.)

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

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

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

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR**

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

## **INDEPENDENT DIRECTORS' MEETING**

A Separate meeting of Independent Directors held on 13th February, 2015 without the attendance of Non-Independent Directors and members of the Management. In the said meeting, Independent Directors reviewed the followings:

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

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- that in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the director have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **INTERNAL FINANCIAL CONTROL SYSTEM**

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

## **INSURANCE**

Assets of your Company are adequately insured against various perils.

## **RISK MANAGEMENT POLICY**

As per Clause 49 of the Listing Agreement, the Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee has additional oversight in the area of financial risks and control.

## **VIGIL MECHANISM**

The Company has adopted a Whistle Blower Policy pursuant to the requirements of the Companies Act, 2013 and the Listing Agreement. The Policy empowers all the stakeholders to raise concerns by making protected disclosures as defined in the Policy.

# Directors' Report (Contd.)

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

## **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

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

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

## **AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

As members are aware, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad have resigned from the office of Statutory Auditors of the Company due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditors of the Company and thus, M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 110240W) has been appointed as Statutory Auditors of the Company by the members in their Extra Ordinary General Meeting held on 14th August, 2015.

The audited financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 22nd August, 2015.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

M/s. V. D. Shukla & Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 110240W) and M/s. Haribhakti & Co., LLP, Chartered Accountants, Mumbai, (Firm Registration No. 103523W) are proposed to be appointed as Joint Statutory Auditors of the Company provided that the appointment of M/s. V. D. Shukla & Co., shall be from the conclusion of this 32nd Annual General Meeting till the conclusion of 36th Annual General Meeting and the appointment of M/s. Haribhakti & Co. LLP, shall be from the conclusion of this 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting, subject to ratification of the appointment by the members at every AGM held after the ensuing 32nd Annual General Meeting.

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

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

### **Internal Auditors**

M/s. Talati & Talati, Chartered Accountants, Ahmedabad has been internal auditors of the Company. Internal auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor's reports and their findings on the internal audit, has been reviewed by the Audit Committee on a quarterly basis. The scope of internal audit is also reviewed and approved by the Audit Committee.

### **Secretarial Auditors**

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

# Directors' Report (Contd.)

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## **Cost Auditors**

M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad has been reappointed as Cost Auditor by the Board of Directors of the Company for the financial year 2014-15, which was ratified by the shareholders in the previous Annual General Meeting held on 4th September, 2014. Thereafter, Central Government has notified new rules for Cost Audit and as per new Companies (Cost Records and Audit) Rules, 2014 issued by Ministry of Corporate Affairs; Company is not falling under the Industries, which will subject to Cost Audit. Therefore filing of cost audit report for the FY 2014-15 is not applicable to the Company.

M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad has submitted their Cost Audit Report for the financial year 2013-14 to the Central Government on 26th September, 2014. which was within due date for filing the same.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION ANALYSIS REPORT**

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on corporate governance practices followed by the Company, as well as "Management Discussion and Analysis confirming compliance, is set out in the Annexure forming an integral part of this Report. A certificate from Practising Company Secretary regarding compliance with corporate governance norms stipulated in Clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

In compliance with one of the Corporate Governance requirements as per the Clause 49 of the Listing Agreement, the Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed compliance thereto.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

As part of CSR, the Company continued extending help towards social and economic development of the villages and the communities located close to its operations and also providing assistance to improving their quality of life. Company's intention is to ensure that we meet the development needs of the local community. Dishman has a long and strong tradition of supporting the larger communities that it connects with - from health, education etc.

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

## **ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**

**Place : Ahmedabad  
Date : 22nd August, 2015**

**Janmejay R. Vyas  
Chairman & Managing Director**



# Directors' Report (Contd.)

## ANNEXURE-A

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

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

#### I. REGISTRATION AND OTHER DETAILS:

1. CIN	L24230GJ1983PLC006329
2. Registration Date	29th June, 1983
3. Name of the Company	Dishman Pharmaceuticals and Chemicals Limited
4. Category / Sub-Category of the Company	Public Company Limited by Shares
5. Address of the Registered office and contact details	Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009, Gujarat Contact No. : +91 (0) 79 26443053 / 26445807 Fax : +91 (0) 79 26420198
6. Whether listed company Yes / No	Yes, Listed Company.
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup [West], Mumbai -400078 Tel. No. 91-22-2596 3838, Fax No.: 91-22-2594 6969, Email: mumbai@linkintime.co.in

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

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

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

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Dishman Europe Ltd. Suite 4 De Walden Court, 85 New Cavendish Street, London, W1W 6XD United Kingdom	N.A.	Subsidiary	100%	2(87)
2	Dishman USA. Inc. 476, Union Avenue, Second Floor, Middlesex, NJ 08846	N.A.	Subsidiary	100%	2(87)
3	CARBOGEN AMCIS (Shanghai) Co., Ltd. No. 69 Shungong Road, Shanghai Chemical Industry Park, Shanghai 201507, China (Formerly known as Dishman Pharmaceuticals & Chemicals (Shanghai) Co., Ltd.)	N.A.	Subsidiary	100%	2(87)
4	Dishman Switzerland Ltd. Les Vernets 2, CH-2035 Corcelles, Switzerland	N.A.	Subsidiary	100%	2(87)
5	Dishman Pharma Solutions AG Hauptstrasse 171, CH-4416 Bubendorf, Switzerland	N.A.	Subsidiary	100%	2(87)
6	Dishman International Trading (Shanghai) Co., Ltd. Room 6003, Level 6, 333 Fute West First Road, Free Trade Zone District, Shanghai 200131, China	N.A.	Subsidiary	100%	2(87)

# Directors' Report (Contd.)

7	CARBOGEN AMCIS AG Hauptstrasse 171 CH-4416 Bubendorf Switzerland	N.A.	Subsidiary	100%	2(87)
8	CARBOGEN AMCIS Ltd. 303 Clayton Lane, Clayton, Manchester, M11 4SX UK	N.A.	Subsidiary	100%	2(87)
9	Innovative Ozone Services Inc. (IO3S) Les Vernets 2, CH-2035 Corcelles, Switzerland	N.A.	Subsidiary	100%	2(87)
10	Dishman Netherlands B. V. Nieuweweg 2A, 3901BE, Veenendaal The Netherlands	N.A.	Subsidiary	100%	2(87)
11	Cohecie Fine Chemicals B. V. (Formerly known as Dishman Holland B. V.) Mondriaanlaan 25, 6708NE Wageningen The Netherlands	N.A.	Subsidiary	100%	2(87)
12	Dishman Japan Ltd. Tokyo Club Bldg. 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo 100-0013, Japan	N.A.	Subsidiary	100%	2(87)
13	Dishman Australasia Pty. Ltd. Unit 1012 3 Herbert Street ST LEONARDS NSW 2065	N.A.	Subsidiary	100%	2(87)
14	Dishman Middle East (FZE) P.O.Box No. 122685 Sharjah - U.A.E.	N.A.	Subsidiary	100%	2(87)
15	CARBOGEN AMCIS SAS, France 10 Rue des Boules F-63200 RiomFrance	N.A.	Subsidiary	100%	2(87)
16	Shanghai Yiqian International Trade Co., Ltd. Room 1101, Building 3, 215 Lianhe Road, Fengxian District, Shanghai 201417, China	N.A.	Subsidiary	100%	2(87)
17	CARBOGEN AMCIS (India) Ltd. Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009	U74900GJ2007PLC051338	Subsidiary	100%	2(87)
18	Dishman Care Ltd. 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009	U24233GJ2010PLC059935	Subsidiary	100%	2(87)
19	Schutz Dishman Biotech Ltd. 2nd Floor Bhadr-Raj Chmabers, Nr Swastik Cross Road, Navrangpura, Ahmedabad - 380009	U24231GJ1995PLC028060	Joint Venture	22.33%	2(6)
20	Bhadra Raj Holding Private Limited Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009	U17119GJ1984PTC007507	Associate	40%	2(6)

\*Dishman Arabia Ltd. liquidated w.e.f. 5.1.2015 during the year

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

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/ HUF	48948449	0	48948449	60.66%	48948449	0	48948449	60.66%	0.00%
b. Central Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. State Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Bodies Corporates	600000	0	600000	0.74%	600000	0	600000	0.74%	0.00%
e. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Any Other	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub-Total A-(1)</b>	<b>49548449</b>	<b>0</b>	<b>49548449</b>	<b>61.40%</b>	<b>49548449</b>	<b>0</b>	<b>49548449</b>	<b>61.40%</b>	<b>0.00%</b>

# Directors' Report (Contd.)

<b>2. Foreign</b>									
a. NRI-Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b. Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. Body Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total- A-(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Total Shareholder of Promoter (1+ 2)</b>	<b>49548449</b>	<b>0</b>	<b>49548449</b>	<b>61.40%</b>	<b>49548449</b>	<b>0</b>	<b>49548449</b>	<b>61.40%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	449761	0	449761	0.56%	886198	0	886198	1.10%	-0.54%
b. Bank/ FIs	2633594	0	2633594	3.26%	1917394	0	1917394	2.38%	0.88%
c. Cent. Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. State Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g. Foreign Institutional Investors	7223687	0	7223687	8.95%	11893089	0	11893089	14.74%	-5.79%
h. Foreign Venture Capital investor	0	0	0	0.00%	0	0	0	0.00%	-0.00%
i. Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub Total- B-(1)</b>	<b>10307042</b>	<b>0</b>	<b>10307042</b>	<b>12.77%</b>	<b>14696681</b>	<b>0</b>	<b>14696681</b>	<b>18.22%</b>	<b>-5.45%</b>
<b>2. Non - Institution</b>									
a. Body Corp.	5579222	0	5579222	6.91%	3074681	0	3074681	3.81%	3.10%
<b>b. Individual</b>									
<b>i. Individual Shareholders holding nominal share capital upto ₹ 1 Lacs</b>									
	11980488	1596	11982084	14.85%	10766111	1621	10767732	13.34%	1.51%
<b>ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 Lacs</b>									
	1776379	0	1776379	2.20%	782000	0	782000	0.97%	1.23%
<b>c. Others</b>									
(i) NRI (Rep)	855532	0	855532	1.06%	607114	0	607114	0.75%	0.31%
(ii) NRI (Non-Rep)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(iii) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
(iv) OCB	0	0	0	0.00%	0	0	0	0.00%	0.00%
(v) Trust	0	0	0	0.00%	0	0	0	0.00%	0.00%
(vi) Foreign Portfolio Corporat	0	0	0	0.00%	656646	0	656646	0.81%	-0.81%
(vii) In Transit	611078	0	611078	0.76%	526483	0	526483	0.65%	0.11%
(viii) Independent Directors & Relatives and their holding	37350	0	37350	0.05%	37350	0	37350	0.05%	0.00%
<b>Sub Total- B-(2)</b>	<b>20840049</b>	<b>1596</b>	<b>20841645</b>	<b>0.26</b>	<b>16450385</b>	<b>1625</b>	<b>164502006</b>	<b>0.2038%</b>	<b>0.0545%</b>
<b>Net Total (1 + 2)</b>	<b>31147091</b>	<b>1596</b>	<b>31148687</b>	<b>0.386</b>	<b>31147066</b>	<b>1621</b>	<b>31148687</b>	<b>0.386%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Promoter and</b>									
Promoter Group	0	0	0	0.00%	0	0	0	0.00%	0.00%
Public	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A + B + C)</b>	<b>80695540</b>	<b>1596</b>	<b>80697136</b>	<b>100.00%</b>	<b>80695515</b>	<b>1621</b>	<b>80697136</b>	<b>100.00%</b>	<b>0.00%</b>

# Directors' Report (Contd.)

## ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Mr. Janmejy R. Vyas	25279855	31.33	12.61	25279855	31.33	14.02	0
2	Mr. Arpit J. Vyas	12563975	15.57	7.07	12563975	15.57	4.59	0
3	Mrs. Dehooti J. Vyas	10964500	13.59	0	10964500	13.59	0	0
4	Ms. Mansi J. Vyas	36500	0.05	0	36500	0.05	0	0
5	Ms. Aditi J. Vyas	103619	0.13	0	103619	0.13	0	0
6	Bhadra Raj Holding Pvt. Ltd.	600000	0.74	0	600000	0.74	0	0
<b>Total</b>		<b>49548449</b>	<b>61.40</b>	<b>19.68</b>	<b>49548449</b>	<b>61.40</b>	<b>18.61</b>	<b>0</b>

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

Sr. No. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
• At the beginning of the year		No change		No change
• Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):		No change		No change
• At the end of the year		No change		No change

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

Sr. No.	Top Ten Shareholders	Shareholding			Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares the beginning (1-4-2014) /end of the year (31-3-2015)	% of total Shares of the Company	No. of shares				% of total shares of the Company	
1*	HDFC Standard Life Insurance Company Ltd.	2440339	3.0241	1-Apr-14	-	-	2440339	3.0241	
				2-May-14	-11537	Transfer	2428802	3.0098	
				13-Jun-14	-242218	Transfer	2186584	2.7096	
				30-Jun-14	-212130	Transfer	1974454	2.4467	
				4-Jul-14	-300000	Transfer	1674454	2.075	
				11-Jul-14	-125000	Transfer	1549454	1.9201	
				25-Jul-14	-300000	Transfer	1249454	1.5483	
				8-Aug-14	-48822	Transfer	1200632	1.4878	
				15-Aug-14	-151178	Transfer	1049454	1.3005	
				22-Aug-14	-73421	Transfer	976033	1.2095	

## Directors' Report (Contd.)

			5-Sep-14	-126579	Transfer	849454	1.0526	
			24-Oct-14	-48830	Transfer	800624	0.9921	
			14-Nov-14	-45359	Transfer	755265	0.9359	
			21-Nov-14	-254641	Transfer	500624	0.6204	
			5-Dec-14	-393908	Transfer	106716	0.1322	
			12-Dec-14	-106716	Transfer	0	0	
			31-Mar-15	-	-	-	-	
2	LIC of India Market Plus 1 Growth Fund	1151548	1.427	1-Apr-14	-	-	1151548	1.427
								Nil movement during the year
		1151548	1.427	31-Mar-15	-	-	1151548	1.427
3*	Kotak Mahindra (UK) Ltd A/c Kotak India Focus Fund II	1000000	1.2392	1-Apr-14	-	-	1000000	1.2392
			5-Sep-14	-75000	Transfer	925000	1.1463	
			12-Sep-14	-30000	Transfer	895000	1.1091	
			19-Sep-14	-70000	Transfer	825000	1.0223	
			30-Sep-14	-25000	Transfer	800000	0.9914	
			5-Dec-14	-40000	Transfer	760000	0.9418	
			12-Dec-14	-40000	Transfer	720000	0.8922	
			19-Dec-14	-45000	Transfer	675000	0.8365	
			31-Dec-14	-75000	Transfer	600000	0.7435	
			9-Jan-15	-50000	Transfer	550000	0.6816	
			16-Jan-15	-80000	Transfer	470000	0.5824	
			23-Jan-15	-70000	Transfer	400000	0.5824	
			30-Jan-15	-125000	Transfer	275000	0.3408	
			6-Feb-15	-100000	Transfer	175000	0.2169	
			13-Feb-15	-90000	Transfer	85000	0.1053	
			20-Feb-15	-85000	Transfer	0	0	
			31-Mar-15	-	-	-	-	
4	Bajaj Allianz Life Insurance Company Ltd.	917640	1.1371	1-Apr-14	-	-	917640	1.1371
			13-Jun-14	100000	Transfer	1017640	1.2611	
			1-Aug-14	-50000	Transfer	967640	1.1991	
			10-Oct-14	-100000	Transfer	867640	1.0752	
			24-Oct-14	-100000	Transfer	767640	0.9513	
			27-Feb-15	-65647	Transfer	701993	0.8699	
			20-Mar-15	-35200	Transfer	666793	0.8263	
		666793	0.8263	31-Mar-15	-	-	666793	0.8263
5*	Manulife Global Fund Asian Small Cap Equity Fund	830000	1.0285	1-Apr-14	-	-	830000	1.0285
			2-May-14	180000	Transfer	1010000	1.2516	
			23-May-14	1010000	Transfer	0	0	
			31-Mar-15	-	-	-	-	
6*	ING Vysya Life Insurance Company Ltd. - Pool Account	691302	0.8567	1-Apr-14	-	-	691302	0.8567
			4-Apr-14	96267	Transfer	787569	0.9760	
			4-Jul-14	-230806	Transfer	556763	0.6899	
			11-Jul-14	284223	Transfer	840986	1.0422	
			25-Jul-14	-81894	Transfer	759092	0.9407	
			15-Aug-14	-43793	Transfer	715299	0.8864	
			22-Aug-14	-68380	Transfer	646919	0.8017	
			19-Sep-14	-34688	Transfer	612231	0.7587	
			30-Sep-14	-39105	Transfer	573126	0.7102	

# Directors' Report (Contd.)

			10-Oct-14	-94051	Transfer	479075	0.5937	
			17-Oct-14	-45548	Transfer	433527	0.5372	
			14-Nov-14	-35000	Transfer	398527	0.4939	
			2-Jan-15	21137	Transfer	419664	0.5200	
			9-Jan-15	84748	Transfer	504412	0.6251	
			23-Jan-15	-344058	Transfer	160354	0.1987	
			30-Jan-15	-65121	Transfer	95233	0.1180	
			6-Feb-15	-30000	Transfer	65233	0.0808	
			20-Feb-15	-29013	Transfer	36220	0.0449	
		36220	0.0449	31-Mar-15	-	-	36220	0.0449
7*	Prashant Jayantilal Patel	712368	0.8828	1-Apr-14	-	-	712368	0.8828
				30-May-14	-13625	Transfer	698743	0.8659
				6-Jun-14	-631815	Transfer	66928	0.0829
				13-Jun-14	-15500	Transfer	51428	0.0637
				30-Jun-14	-2406	Transfer	49022	0.0607
				11-Jul-14	545	Transfer	49567	0.0614
				18-Jul-14	5000	Transfer	54567	0.0676
				25-Jul-14	-16320	Transfer	38247	0.0474
				1-Aug-14	-10000	Transfer	28247	0.0350
				22-Aug-14	-5344	Transfer	22903	0.0284
				29-Aug-14	-3725	Transfer	19178	0.0238
				4-Sep-14	-2116	Transfer	17062	0.0211
				12-Sep-14	-2010	Transfer	15052	0.0187
				19-Sep-14	-1726	Transfer	13326	0.0165
				30-Sep-14	8612	Transfer	21938	0.0272
				3-Oct-14	72371	Transfer	94309	0.1169
				10-Oct-14	4020	Transfer	98329	0.1215
				17-Oct-14	-93591	Transfer	4738	0.0059
				24-Oct-14	-4000	Transfer	738	0.0009
				31-Oct-14	1000	Transfer	1738	0.0022
				7-Nov-14	10000	Transfer	11738	0.0145
				14-Nov-14	48065	Transfer	48065	0.0741
				21-Nov-14	11738	Transfer	59803	0.0741
				28-Nov-14	-59803	Transfer	NIL	0.0000
				5-Dec-14	2918	Transfer	2918	0.0036
				31-Dec-14	-2918	Transfer	NIL	0.0000
				6-Feb-15	4000	Transfer	4000	0.0050
				27-Feb-15	-4000	Transfer	NIL	0.0000
				20-Mar-15	14300	Transfer	14300	0.0177
		90000	0.1115	31-Mar-15	75700	Transfer	90000	0.1115
8	Government of the Province of Alberta Managed by Comgest S.A.	484200	0.6	1-Apr-14	-	-	484200	0.6
				11-Apr-14	214900	Transfer	699100	0.8663
		699100	0.8663	31-Mar-15	-	-	699100	0.8663
9	LIC of India Market Plus Growth Fund	477983	0.5923	1-Apr-14	-	-	477983	0.5923
						Nil movement during the year		
		477983	0.5923	31-Mar-15	-	-	477983	0.5923
10*	Florida Retirement System-Acadian Asset Management, INC	400067	0.4958	1-Apr-14	-	-	400067	0.4958
						Nil movement during the year		
		400067	0.4958	31-Mar-15	-	-	400067	0.4958

# Directors' Report (Contd.)

11**Goldman Sachs (Singapore) PTE	-	-	1-Apr-14	-	-	-	-
			13-Jun-14	7063	Transfer	7063	0.0088
			20-Jun-14	39259	Transfer	46322	0.0574
			4-Jul-14	133548	Transfer	179870	0.2229
			11-Jul-14	320936	Transfer	500806	0.6206
			18-Jul-14	138633	Transfer	639439	0.7924
			25-Jul-14	-32927	Transfer	606512	0.7516
			1-Aug-14	-55961	Transfer	550551	0.6822
			8-Aug-14	-86615	Transfer	463936	0.5749
			15-Aug-14	37037	Transfer	500973	0.6208
			22-Aug-14	85163	Transfer	586136	0.7263
			29-Aug-14	61410	Transfer	647546	0.8024
			5-Sep-14	152174	Transfer	799720	0.9910
			12-Sep-14	166243	Transfer	965963	1.1970
			19-Sep-14	292113	Transfer	1258076	1.5590
			30-Sep-14	126304	Transfer	1384380	1.7155
			3-Oct-14	120334	Transfer	1504714	1.8646
			10-Oct-14	28203	Transfer	1532917	1.8996
			17-Oct-14	141022	Transfer	1673939	2.0743
			24-Oct-14	-24929	Transfer	1649010	2.0435
			31-Oct-14	-49801	Transfer	1599209	1.9817
			7-Nov-14	-54280	Transfer	1544929	1.9145
			14-Nov-14	-221965	Transfer	1322964	1.6394
			5-Dec-14	21338	Transfer	1344302	1.6659
			19-Dec-14	94233	Transfer	1438535	1.7826
			31-Dec-14	176687	Transfer	1615222	2.0016
			2-Jan-15	14215	Transfer	1629437	2.0192
			9-Jan-15	74056	Transfer	1703493	2.1110
			16-Jan-15	79556	Transfer	1783049	2.2096
			23-Jan-15	24162	Transfer	1807211	2.2395
			6-Feb-15	17262	Transfer	1824473	2.2609
			13-Feb-15	58792	Transfer	1883265	2.3337
			20-Feb-15	38990	Transfer	1922255	2.3821
			27-Feb-15	-64984	Transfer	1857271	2.3015
			6-Mar-15	58037	Transfer	1915308	2.3735
			13-Mar-15	-560	Transfer	1914748	2.3728
			20-Mar-15	-33473	Transfer	1881275	2.3313
			27-Mar-15	176866	Transfer	2058141	2.5505
	2055579	2.5473	31-Mar-15	-2562	Transfer	2055579	2.5473
12**Swiss Finance Corporation (Mauritius) Ltd.	-	-	1-Apr-14	-	-	-	-
			13-Jun-14	117791	Transfer	117791	0.1460
			20-Jun-14	8190	Transfer	125981	0.1561
			30-Jun-14	11154	Transfer	137135	0.1699
			4-Jul-14	-8190	Transfer	128945	0.1598
			10-Oct-14	-29048	Transfer	99897	0.1238
			17-Oct-14	93397	Transfer	193294	0.2395
			28-Nov-14	5882	Transfer	199176	0.2468
			5-Dec-14	-199176	Transfer	0	0.0000
			30-Jan-15	1100000	Transfer	1100000	1.3631
			20-Mar-15	-50000	Transfer	1050000	1.3012
	1000000	1.2392	31-Mar-15	-50000	Transfer	1000000	1.2392
13**Buma-Universal-Fonds I	-	-	1-Apr-14	-	-	-	-
			6-Jun-14	85391	Transfer	85391	0.1058
			18-Jul-14	138429	Transfer	223820	0.2774

## Directors' Report (Contd.)

			25-Jul-14	330780	Transfer	554600	0.6873
			19-Sep-14	101800	Transfer	656400	0.8134
			30-Sep-14	90000	Transfer	746400	0.9249
	746400	0.9249	31-Mar-15	-	-	746400	0.9249
<b>14** Dimensional Emerging Markets Value Fund</b>							
	-	-	1-Apr-14	-	-	-	-
			8-Aug-14	22246	Transfer	22246	0.0276
			15-Aug-14	42737	Transfer	64983	0.0805
			22-Aug-14	29978	Transfer	94961	0.1177
			29-Aug-14	38584	Transfer	133545	0.1655
			5-Sep-14	104864	Transfer	238409	0.2954
			12-Sep-14	100808	Transfer	339217	0.4204
			19-Sep-14	59527	Transfer	398744	0.4941
			30-Sep-14	34238	Transfer	432982	0.5366
			9-Jan-15	9619	Transfer	442601	0.5485
			16-Jan-15	11856	Transfer	454457	0.5632
			27-Feb-15	90139	Transfer	544596	0.6749
			6-Mar-15	68189	Transfer	612785	0.7594
			13-Mar-15	13148	Transfer	625933	0.7757
			20-Mar-15	23171	Transfer	649104	0.8044
			27-Mar-15	25480	Transfer	674584	0.8359
	690743	0.8560	31-Mar-15	16159	Transfer	690743	0.8560
<b>15** Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Manufacturing Equity Fund</b>							
	524000	0.6493	1-Apr-14	-	-	-	-
			13-Feb-15	524000	Transfer	524000	0.6493
	524000	0.6493	31-Mar-15	-	-	524000	0.6493
<b>16** Stitching Shell Pension Funds</b>							
	161618	0.2003	1-Apr-14	0.5741	Transfer	161618	0.2003
			19-Sep-14	188643	Transfer	350261	0.4340
			30-Sep-14	166457	Transfer	516718	0.6403
			20-Mar-15	-53400	Transfer	463318	0.5741
	463318	0.5741	31-Mar-15	-	-	463318	0.5741

\* During the year ceased to be in the list of top ten shareholders.

\*\* Not in the list of top ten shareholders as on 01/04/2014. The same has been reflected above since the shareholder was one of the top ten shareholders as on 31/03/2015. The details are as per weekly data given by RTA of the Company.

### v. Shareholding of Directors and Key Managerial Personnel (There is no change in the shareholding of Directors and KMPs during the year):

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year 1st April, 2014		Shareholding at the end of the year 31st March, 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Janmejy R. Vyas	25279855	31.33	25279855	31.33
2	Arpit J. Vyas	12563975	15.57	12563975	15.57
3	Deohooti J. Vyas	10964500	13.59	10964500	13.59
4	Sanjay S. Majmudar	24650	0.03	24650	0.03
5	Ashok C. Gandhi	150	0.00	150	0.00
6	Subir Kumar Das (appointed w.e.f. 15/12/2014)	-	-	-	-
7	Mark C. Griffiths (appointed w.e.f. 01/09/2014)	-	-	-	-
8	Rajendra S. Shah (appointed w.e.f. 02/04/2015)	-	-	-	-
9	Mr. Rajashekhar Bhat*	-	-	-	-
10	Mr. Tushar D. Shah	-	-	-	-

\*Resigned w.e.f. 20.01.2015



# Directors' Report (Contd.)

## V. INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans Indebtness	Deposits	Total
<b>Indebtedness at the beginning of the financial year 01.04.2014</b>				
1) Principal Amount	476.99	48.09	-	525.08
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	3.07	-	-	3.07
<b>Total of (1+2+3)</b>	<b>480.06</b>	<b>48.09</b>	<b>-</b>	<b>528.15</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	174.53	69.03	-	243.56
-Reduction	117.92	21.91	-	139.83
Net change	56.61	47.12	-	103.73
<b>Indebtedness at the end of the financial year-31.03.2015</b>				
1) Principal Amount	536.35	95.53	-	631.88
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	2.65	-	-	2.65
<b>Total of (1+2+3)</b>	<b>539.00</b>	<b>95.53</b>	<b>-</b>	<b>634.53</b>

## VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹ In Lacs)
		Mr. Janmejy R. Vyas (Chairman & Managing Director)	Mr. Arpit J. Vyas (Managing Director)	Mrs. Deohooti J. Vyas (Whole-time Director)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) "of the Income Tax Act	-	108.00	120.00	228.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- As % of Profit	482.44	-	-	482.44
	- Others, specify				
5	Others, please specify Provident Fund & other Funds	-	-	-	-
	Performance Bonus				
	<b>Total (A)</b>	<b>482.44</b>	<b>108.00</b>	<b>120.00</b>	<b>710.44</b>
	Ceiling as per the Act 10% of the net profits of the Company				

# Directors' Report (Contd.)

## B. Remuneration of other directors:

I. Independent Directors :- Particulars	Name of Directors				Total Amount (₹ In lacs)
	Mr. Yagnesh kumar B. Desai (resigned w.e.f. 13/12/2014)	Mr. Sanjay S. Majmudar	Mr. Ashok C. Gandhi	Mr. Subir Kumar Das (appointed w.e.f. 15/12/2014)	
Fee for attending board committee meetings	0.8	3.4	3.2	0.8	8.2
Commission	2.00	10.00	9.00	4.00	25.00
Others					
<b>Total (1)</b>	<b>2.80</b>	<b>13.40</b>	<b>12.20</b>	<b>4.80</b>	<b>33.20</b>

## II. Other Non-Executive Directors :-

Particulars	Mr. Mark C. Griffiths (appointed w.e.f. 01/09/2014)	Total Amount (₹ In Lacs)
Fee for attending board committee meetings	0	0
Commission	0	0
Others	0	0
<b>Total (2)</b>	<b>0</b>	<b>0</b>
<b>Total B = (1+2)</b>	<b>0</b>	<b>0</b>
Ceiling as per the Act	11% of the net profits of the Company	

## C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Name of KMP Mr. Tushar D. Shah (Company Secretary)	Name of KMP Mr. Rajashekhar Bhat (Global CFO) (resigned w.e.f. 20/01/2015)	Total Amount (₹ In Lacs)
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act	9.00	85.39	94.39
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission- As % of Profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify			
	Contribution to Provident Fund	0.17	1.81	1.98
	Performance Bonus	-	-	-
	<b>Total (C)</b>	<b>9.17</b>	<b>87.20</b>	<b>96.37</b>

# Directors' Report (Contd.)

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):

Type	Section of Companies Act	Brief description	Details of penalty / punishment / Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any give details
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

**Form No. AOC-2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**  
**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
2. Details of material contracts or arrangements or transactions at arm's length basis								
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting u/s 188(1)	Amount involved during the year (₹ in Crore)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1.	Dishman Europe Ltd. (Wholly owned subsidiary)	Sale of Goods/ Export of Services	On going	Based on transfer pricing guidelines	As per Companies Act, 2013 and as per clause 49 of the Listing agreement, all transaction are being placed before the Audit Committee and Board on quarterly basis and at regular intervals	Advance paid have been adjusted against billings/ invoice/ debit note etc. wherever applicable	As the transactions were with wholly owned subsidiary companies are being exempt under Companies Act, 2013 and Listing Agreement, therefore no approval of shareholder is required. However, as per Clause 49 of the Listing Agreement, material contracts or arrangements above 10% of the Turnover are being shown as material transactions.	218.44
2.	CARBOGEN AMCIS AG (Wholly owned subsidiary)	Sale of Goods/ Export of Services	On going	Based on transfer pricing guidelines	-- do --	Advance paid have been adjusted against billings/ invoice/debit note etc. wherever applicable	-- do --	71.95
3.	Dishman USA Inc (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines	-- do --	Advance paid have been adjusted against billings/ invoice/debit note etc. wherever applicable	-- do --	70.68

# Directors' Report (Contd.)

## ANNEXURE-C

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

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2014-15, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under as per Sub-clause (i) :

Sr. No.	Name & Designation	Ratio of Remuneration of Director to Medians Remuneration of employees	% increase in Remuneration In FY 2014-15 (Note)	Comparison of the Remuneration of the KMP against the performance of the Company
		(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))	(Sub-clause (ix) of Rule 5(1))
<b>Executive Directors</b>				
1.	Mr. Janmejay R. Vyas, Chairman & Managing Director	160.81:1	-20.90%	See Point 4 below
2.	Mr. Arpit J. Vyas, Managing Director & CFO+	36 : 1	-10%	See Point 4 below
3.	Mrs. Deohooti J. Vyas, Whole-time Director	40 : 1	Nil	See Point 4 below
<b>Non-executive Director &amp; Independent Directors</b>				
4.	Mr. Sanjay S. Majmudar, Independent Director	4.47 :1	20.72%	N.A.
5.	Mr. Ashok C. Gandhi, Independent Director	4.07 :1	71.83%	N.A.
6.	Mr. Mark C. Griffiths, Non-Executive Director & Global CEO* (Appointed w.e.f. 01/09/2014)	-	-	N.A.
7.	Mr. Subir Kumar Das, Independent Director** (Appointed w.e.f. 15/12/2014)	**	**	N.A.
8.	Mr. Rajendra S. Shah, Independent Director *** (Appointed w.e.f. 01/04/2015)	N.A.	N.A.	N.A.
9.	Mr. Yagneshkumar B. Desai, Independent Director@ (Resigned w.e.f. 13/12/2014)	@@	@@	N.A.
<b>Key Managerial Personnel</b>				
10.	Mr. Rajashekhar V. Bhat, Global CFO, ^ (Resigned w.e.f. 20/01/2015)	N.A.	-	Details not given as Mr. Rajashekar Bhat resigned as Global CFO w.e.f.20th January, 2015
11.	Mr. Tushar D. Shah, Company Secretary	N.A.	Nil	#

+ Appointed as Managing Director & CFO w.e.f. 17th July, 2015

\* Mr. Mark C. Griffiths, Global CEO appointed as an additional Director w.e.f. 1st September, 2014. He was not a Director in the financial year 2013-14 and was Director only for the part of the financial year 2014-15 i.e. w.e.f. 1st September, 2014. No remuneration has been paid to him from the Company for FY 2014-15 hence, comparison is not done.

\*\* Mr. Subir Kumar Das appointed as Additional Director (Independent) w.e.f. 15th December, 2014, He was not director in FY 2013-14, hence no comparison not done.

\*\*\* Mr. Rajendra Shah appointed as Additional Director (Independent) w.e.f. 2nd April, 2015

# Directors' Report (Contd.)

@ Resigned as Independent Director w.e.f. 13/12/2014

@@ Details not given as Mr. Yagnesh B. Desai resigned w.e.f. 13/12/2014, hence Comparison not done.

^ Resigned as Global CFO w.e.f. 20th January, 2015

# Details not comparable as Mr. Tushar Shah was Company Secretary w.e.f. 27th March, 2014 for the financial year 2013-14, hence Comparison not done.

Note: percentage increase reflects sitting fees and commission (excluding leave encashment of earlier years, if any)

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2014-15 increased by 16.67%. The calculation of % increase in Median Remuneration is done based on permanent employees. Also, the unionized employees/Contract labour whose remuneration is based on periodic settlements has been excluded for this purpose.

3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2015 was 862.

4. Sub-clause (v) of Rule 5(1): The Standalone and Consolidated Profit before Tax of the Company stood at ₹ 103.83 crores as against 118.84 crores decreased by 12.63% and ₹ 159.25 crores as against ₹ 156.40 crores increased by 1.82% respectively for FY 2014-15. For the same period, the average increase in the remuneration of employee was 20%. However, it may please be noted that the decrease in remuneration is related to the financial and operational performance of the Company, Global economic factors etc.

5. Sub-clause (vi) of Rule 5(1): Although the performance of the Company during FY 2014-15 has decreased, as mentioned in the above point, generally the remuneration is related to the performance of the Company with one year lag, economic factor on account of inflation, individual performance, availability of the required talent, the status of the relevant industry, etc. The total remuneration of Key Managerial Personnel remain unchanged (excluding leave encashment of earlier years) in FY 2014-15.

6. Sub-clause (vii) of Rule 5(1):

(a) Variations in the market capitalisation of the Company and the price earnings ratio is as under:

<b>Market Capitalization</b>	<b>BSE</b>	<b>NSE</b>
31st March, 2015	₹ 1347.24 Cr. (@ ₹ 166.95 per share)	₹ 1346.84 Cr. (@ ₹ 166.90 per share)
31st March, 2014	₹ 674.63 Cr. (@ ₹ 83.60 per share)	₹ 674.63 Cr. (@ ₹ 84 per share)
<b>P/E Ratio</b>	<b>BSE</b>	<b>NSE</b>
31st March, 2015	23.03 times (₹ 166.95/7.25)	23.02 times (₹ 166.90/7.25)
31st March, 2014	7.78 times (₹ 83.60/10.75)	7.81 times (₹ 84/10.75)

(b) The Company has not come out with any public offer hence percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer is not applicable.

7. Sub-clause (viii) of Rule 5(1): The average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2014-15 was 20% (excluding rewards in cash or kinds), whereas the total managerial remuneration (including independent Directors) for the same financial year has decreased by 15%. Increase/decrease in salary of KMP is decided based criteria like Company's policy and Performance, Individual Performance, inflation, prevailing industry trends and benchmarks.

8. Sub-clause (x) of Rule 5(1): The variable component of remuneration is Commission which is paid to Chairman and Managing Directors (MD) within the ceiling limit of 5% of net profit of the Company as approved by the shareholder. Such commission is paid in lieu of full or part of their annual remuneration. The amount of commission is determined based on the operational performance of the Company. For, MDs/WTD, who are generally entitled to salary and perquisites as approved by shareholders.

The Non-executive Directors of the Company are entitled to sitting fees and also for annual commission within the ceiling of 1% of net profit of the Company as approved by the shareholders.

9. Sub-clause (xi) of Rule 5(1): The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: None

10. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

# Directors' Report (Contd.)

## ANNEXURE-D

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

Sr. No.	Name of the Employee	Age (Years)	Designation/ Nature of Duty	Qualification	Experience (Years)	Gross Remuneration received (₹)	Date of Joining	Last Employment and position held
<b>A) Personnel who are in receipt of Remuneration aggregating not less than ₹ 60,00,000 per annum and employed through out the year:</b>								
1.	Mr. Janmejy R. Vyas	64	Chairman & Managing Director	B.Sc. (Chemistry) B.Sc. (Tech.)	41	4,82,43,881	29/06/1983	Consultant to various Pharmaceutical Company's during 1974 to 1983
2.	Mrs. Dehooti J. Vyas	64	Whole-time Director	B.Sc. (Chemistry)	31	1,20,00,000	01/12/1997	B. R. Laboratories, Proprietress
3.	Mr. Arpit J. Vyas	29	Managing Director & CFO	Chemical Engineer from University of Aston	8	1,08,00,000	01/06/2009	Has been associated with Azafran Innovacion Ltd., in which he holds Directorship and handling Marketing division of the Company.

### B) Personnel who are in receipt of Remuneration aggregating not less than ₹ 5,00,000 per month and employed for part of the year:

4	*Mr. Rajashekhar Bhat	55	Global CFO	MBA from IIM	28	82,94,771	01/04/2014	Director at ENTURE ENERGY
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#### Notes:

- The above Gross remuneration includes salary, allowances, company's contribution to provident fund and superannuation.
- In addition to the above remuneration, employees are entitled to gratuity and leave encashment in accordance with the Company's rules.
- The nature of employment in all cases is contractual.
- Mr. J. R. Vyas, Mrs. D. J. Vyas and Mr. Arpit J. Vyas mentioned at Sr. No. 1, 2, and 3 holds 25279855 (31.33%), 10964500 (13.59%) and 12563975 (15.57%) equity shares of ₹ 2/- each in the Company, respectively.
- The above employees are not relatives of any Director of the Company except Mr. Janmejy R. Vyas, Mrs. Dehooti J. Vyas and Mr. Arpit J. Vyas, who are Directors and relatives of each other.
- \*Mr. Rajashekhar Bhat has resigned w.e.f. 20/01/2015.

**For and on behalf of the Board**

**Date : 22nd August, 2015**

**Place : Ahmedabad**

**Janmejy R. Vyas**

**Chairman & Managing Director**

# Directors' Report (Contd.)

**ANNEXURE-E**

**FORM NO. MR 3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2015**

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

To,  
The Members,  
Dishman Pharmaceuticals and Chemicals Limited  
Bhadra-Raj Chambers, Swastik Cross Roads,  
Navrangpura, Ahmedabad - 380 009.

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Dishman Pharmaceuticals and Chemicals Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The following are other laws specifically applicable to the company :
  - (a) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
  - (b) The Patents Act, 1970
  - (c) The Trade Marks Act, 1999
  - (d) Indian Boilers Act, 1923

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified during the audit period and hence not applicable)



# Directors' Report (Contd.)

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- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

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

**We further report that**

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

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

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

**We further report that during the audit period**

- a) the company has passed Special Resolutions through Postal Ballot pursuant to section 180(1)(c) and 180(1)(a) of the Act, authorizing Board of Directors to borrow money (apart from the temporary loans obtained from the bankers in the ordinary course of business) exceeding its Paid up Capital and Free Reserves up to ₹ 1500 Crore, and authorizing Board of Directors to create charge and mortgage on the assets / properties of the company.
- b) the company has redeemed 20% of Non Convertible Debenture (First Trench) issued in February, 2010 on 18th February, 2015 by way of payment of ₹ 22.76 Crore towards principal and interest.
- c) the company has also redeemed 50% of Non Convertible Debenture (Second Trench) issued in June, 2010 on 16th June, 2014 by way of payment of ₹ 38.25 Crore towards principal and interest.

Place : Ahmedabad

Date : 22/08/2015

For, Ashok P. Pathak & Co.  
Company Secretaries

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

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

# Directors' Report (Contd.)

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## ANNEXURE- I

To,

The Members  
Dishman Pharmaceuticals and Chemicals Limited  
Bhadra-Raj Chambers, Swastik Cross Roads,  
Navrangpura, Ahmedabad - 380 009.

Our report of 22nd August, 2015 is to be read along with this letter

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

Place : Ahmedabad  
Date : 22/08/2015

For, Ashok P. Pathak & Co.  
Company Secretaries

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

### A. CONSERVATION OF ENERGY

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

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

Your Company has become a trading and self clearing member of Power Exchange of India Limited (PXIL) from 2nd April, 2012 and appointed Gensol Consultant Pvt. Ltd. to do daily power trading bid on behalf of the Company. The Power Trading initiative taken by your Company helped in energy conservation and minimize the cost of production. However, due to lighting and technical problem few months power trading has not been done.

During the year, due to power trading initiative taken by the Company, Company has got benefit of ₹ 85.41 Lacs without any capital investment.

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

a) POWER AND FUEL CONSUMPTION	2014-15	2013-14
<b>1. ELECTRICITY</b>		
<b>a. Purchased</b>		
Unit [KWH]	29873617	26995791
Total Amount [₹]	225040582	198947427
Rate/ Unit [₹]	7.53	7.36
<b>b. Own Generation [through D.G. Unit]</b>		
Unit [KWH]	273064	535728
Unit Per ltr. of Diesel oil [KWH]	3.29	2.99
Cost/Unit [₹]	18.52	19.55
<b>2. DOC</b>		
Quantity [MT]	14099	15570.97
Total Amount [₹]	99674100	92647271.5
Average rate [₹/MT ]	7069.58	5950.00
<b>3. FUEL [LDO+FO+HSD]</b>		
Quantity (LT ₹)	130408	100000
Total amount (₹)	5176134	5000000
Average rate (₹/ LTR.)	39.69	50.00
<b>4. CNG GAS</b>		
Quantity (KG.)	332382	684241
Total cost (₹)	23983945	32569871
Average rate/kg.	72.15	47.60
<b>5. Briquette</b>		
Quantity [MT]	405.915	-
Total Amount [₹]	2129977	-
Average rate [₹/MT]	5259	-
<b>b) CONSUMPTION PER UNIT OF PRODUCTION:</b>	Since the Company manufactures several bulk drugs, bulk drug intermediates and specialty chemicals, it is not practical to apportion consumption of utilities per unit of production.	

### B. TECHNOLOGY ABSORPTION

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

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

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

# Directors' Report (Contd.)

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

## • FUTURE PLAN OF ACTION

Your Company has created a state-of-the-art R & D center and cGMP pilot facility at Bavla plant. The Company has been investing aggressively in its R & D activities to the level of 3.30% of its turnover and continue augmenting R & D capabilities & productivity through technological innovations, use of modern scientific and technological techniques, training and development.

Continuing our efforts to have seamless transfer of technology from the labs to the plant, we are now planning to add another kilo lab which will be equipped with small vessels of about 5, 10 and 20 liters. The small reactors will have the geometry similar to the reactors in our manufacturing plants. This facility will ensure that any scale up issues in processes are understood and resolved before transferring the them to larger scale.

A similar set up for HiPo molecules has been designed. The Kilo Lab for the HiPo molecules will be also very useful for commercial manufacture of certain HiPo molecules which have very low volume uptake commercially due to very low dosage. These are low volume high value products which are a value addition to our current product portfolio.

<b>EXPENDITURE ON R &amp; D</b>	(₹ in Lacs)
Capital	-
Recurring	1580.58
<b>Total</b>	<b>1580.58</b>
<u>Total R &amp; D Expenditure as a percentage of Total Turnover</u>	<b>3.30%</b>

## • TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

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

Dishman has built on its experience on usage of enzymes at commercial scale. We now are working on two projects on commercial scale and have long term supply agreements. Both these products are regulated starting materials for APIs and are used in large volumes.

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

We have also optimized our current processes in order to make them more energy efficient and also reduce the effluent load. We are currently working on various other options for our existing products as well as new ones.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Exports of the Company has increased to ₹ 417.96 Crores during the year from ₹ 408.54 Crores during the previous year, reflecting a growth of 2.33% which constitute 87.31% of the total net sales of the Company during financial year 2014-2015. The Company is exporting mainly to USA, UK, Germany, Netherland and Japan. Your Company is making sustained efforts to increase exports and develop new export markets.

### FOREIGN EXCHANGE EARNING AND OUTGO

The particulars have been given under Note nos. "27.06" and "27.08" of Notes Forming Part of the Financial Statements.

For and on behalf of the Board

Date : 22nd August, 2015  
Place : Ahmedabad

Janmejay R. Vyas  
Chairman & Managing Director

### Corporate Social Responsibilities (CSR) Report

- 1 A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been approved by the Board at the meeting held on 28th May, 2014.

#### Overview:

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

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

Company's CSR efforts shall focus on Health, Education, Environment and Employability interventions for relevant target groups, ensuring diversity and giving, preference to needy and deserving.

#### CSR Projects:

1. Community healthcare, sanitation and hygiene, including, but not limited to:
  - (1) Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc.
  - (2) Providing financial assistance to deserving people for specialized medical treatment in any medical institution.
  - (3) Establishment and management of state-of-the-art healthcare infrastructure with high level of excellence.
  - (4) Activities concerning or promoting:
    - a. General health care including preventive health care
    - b. Safe motherhood
    - c. Child survival support programs
    - d. Health / medical camps
    - e. Better hygiene and sanitation
    - f. Adequate and potable water supply, etc.
2. Education and knowledge enhancement, including, but not limited to:
  - (1) Establishment and management of educational and knowledge enhancement infrastructure.
  - (2) Providing financial and/or other assistance to the needy and/or deserving students.
  - (3) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.
  - (4) Facilitate enhancement of knowledge and innovation in the educational Agencies.

## Directors' Report (Contd.)

		(5) Contribution to technology incubators located within academic institutions which are approved by the Central Government.
		(5) Contribution to technology incubators located within academic institutions which are approved by the Central Government.
		3 Social care and concern, including, but not limited to:
		(1) Creating Public awareness
		(2) Protection and upgradation of environment including ensuring ecological balance and related activities.
		(3) Rural development projects
		(4) Others:
		a. Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.
		b. Providing assistance to institutes of credibility involved in areas of social care, including:
		o Preservation of heritage
		o Animal welfare, social welfare and related matters
		o Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.
		c. Other humanitarian activities.
2	The Composition of the CSR Committee	1. Mr. Janmejy R. Vyas (Chairman - Managing Director) 2. Mr. Arpit J. Vyas (Managing Director & CFO) 3. Mr. Sanjay S. Majmudar (Independent Director)
3	Average net profit of the company for last three financial years (Amount in crores)	₹ 104.21 crores
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in crores)	₹ 2.08 crores
5	Details of CSR spent during the financial year.	
	(1) Total amount spent for the F.Y.	₹ 1,02,50,000
	(2) Amount unspent , if any;	₹ 1,05,50,000
	(3) Manner in which the amount spent during the financial year :	The manner in which the amount is spent is detailed in the Annexure I.
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board report	The CSR spend at ₹ 1.03 crore is lower than the recommended minimum 2%. The Company identified several new projects which are in different phases of implementation and the outgo will substantially increase in the coming years, which could not be completed as planned during the financial year 2014-15, resulting into shortfall in CSR spent to the extent of ₹ 1.05 crore.
7	A responsibility statement of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company	Yes, The CSR Committee of the Company's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

# Directors' Report (Contd.)

The Board of Directors at their meeting held on 28th May, 2014 also approved the CSR Policy. Brief outline of the Policy is as under: While the Company is eligible to undertake any suitable / rightful activity as specified in Schedule VII of the Companies Act, 2013, however, at present, it proposes to undertake its Projects (Direct Method) on priority basis in its core Areas. The Company, in every financial year shall endeavor to spend the feasible amount for its CSR Projects and shall not be restricted by the statutory limit, the minimum spend being 2% of the Company's average Net Profits for three immediately preceding financial years. The Policy provides for identification of the CSR Projects and approval by the CSR Committee, with estimated expenditure and phase wise implementation schedules in the form of CSR Plan.

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

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

The Policy also provides for monitoring of the CSR Projects and Plan by the CSR Officer and half-yearly monitoring of the implementation of the CSR Policy and Plan by the CSR Committee as per the monitoring mechanism stated in the Policy.

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

The CSR Policy can be accessed at [www.dishmangroup.com](http://www.dishmangroup.com)

**Annexure I**  
(in ₹)

CSR ACTIVITIES AT DISHMAN							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Free Medical aid to the suffering and poor people	Rajkot, Gujarat	Healthcare	1,00,00,000	1,00,00,000	1,00,00,000	Through Sri Sathya Sai Heart Hospital run by Prashant Medical Services and Research Foundation
2.	Educational & knowledge enhancement infrastructure	Ahmedabad, Gujarat	Education	2,50,000	2,50,000	2,50,000	The A'bad St. Xavier's College Society
<b>Total</b>				<b>1,02,50,000</b>	<b>1,02,50,000</b>	<b>1,02,50,000</b>	<b>1,02,50,000</b>

In terms of Section 134(1)(o) of the Companies Act, 2013, The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : Ahmedabad  
Date : 22nd August, 2015

Sd/-  
Janmejay R. Vyas  
Chairman & Managing Director  
Chairman of CSR Committee

# Corporate Governance Report

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

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

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

The disclosure requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges are given as under:

## **A. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

## **B. BOARD OF DIRECTORS**

### **1. Composition**

The Company has a very balanced structure of Board of Directors. As on date, the Company has eight (8) directors with an Executive Chairman on its Board. Out of these, four (4), [50%] are Executive Directors including Woman Director and four (4) [50%] are Non-Executive & Independent Directors. The composition of the board is in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

Independent Directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Clause 49 of Listing Agreement and Section 149 of the Companies Act, 2013.

### **2. Information on Board of Directors**

None of the directors on the board is a Member of more than ten (10) committees or Chairman of more than five (5) committees across all the companies in which he is a director. Necessary disclosures regarding their Directorship/ Membership in other companies has been made by all directors. Chairmanship/Membership reflects only Audit and Stakeholders' Relationship Committee of other public companies.

Names and Categories of the Directors on the Board, their Attendance in the Board Meeting and in last Annual General Meeting, Number of other directorship & chairmanship/membership held by them in other companies during the year 2014-2015 is given below.



# Corporate Governance Report (Contd.)

Name of Director	Category	No. of Board Meeting held & attended		Last AGM Attended	No. of Directorship in other Companies	No. of Chairmanship/ Membership in other Companies	
		Held	Attended			Chairmanships	Memberships
Mr. Janmejy R. Vyas	Promoter & Executive Director	5	5	Yes	14*	-	-
Mrs. Deohooti J. Vyas	Promoter & Executive Director	5	5	No	7	-	-
Mr. Arpit J. Vyas	Promoter & Executive Director	5	5	Yes	8@	-	-
Mr. Mark C. Griffiths (appointed w.e.f. 01/09/2014)	Non-Executive & Non-Independent Director	5	1	No	4\$	-	-
Mr. Yagneshkumar B. Desai (Resigned w.e.f. 13/12/2014)	Non-Executive & Independent Director	5	2	Yes	2	-	2
Mr. Sanjay S. Majmudar	Non-Executive & Independent Director	5	5	Yes	8	3	2
Mr. Ashok C. Gandhi	Non-Executive & Independent Director	5	5	Yes	6	-	8
Mr. Subir Kumar Das (Appointed w.e.f. 15/12/2014)	Non-Executive & Independent Director	5	1	No	1	-	-
Mr. Rajendra S. Shah (Appointed w.e.f. 02/04/2015)	Non-Executive & Independent Director	5	-	No	9#	2	2

\*Including Directorship in 8 overseas subsidiaries (Direct or Indirect) Companies.

@ Including Directorship in 3 overseas subsidiaries (Direct or Indirect) Companies.

\$ All foreign Companies including 3 overseas subsidiaries (Direct or Indirect) Companies.

# Including Directorship in 1 overseas Company.

### 3. Board Membership Criteria

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

### 4. Disclosure of Relationship between Directors inter se

Name of Directors	Relationship with other Directors
Mr. Janmejy R. Vyas	Husband of Mrs. Deohooti J. Vyas, Whole-time Director and Father of Mr. Arpit J. Vyas, Managing Director & CFO of the Company
Mrs. Deohooti J. Vyas	Wife of Mr. Janmejy R. Vyas, Chairman & Managing Director and Mother of Mr. Arpit J. Vyas, Managing Director & CFO of the Company
Mr. Arpit J. Vyas	Son of Mr. Janmejy R. Vyas, Chairman & Managing Director and Mrs. Deohooti J. Vyas, Whole-time Director of the Company
Mr. Mark C. Griffiths	He is a Global CEO of Dishman Group.
Mr. Yagneshkumar B. Desai (resigned w.e.f. 13/12/2014)	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Sanjay S. Majmudar	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.

# Corporate Governance Report (Contd.)

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Mr. Ashok C. Gandhi	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Subir Kumar Das (appointed w.e.f. 15/12/2014)	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Rajendra S. Shah (appointed w.e.f. 02/04/2015)	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.

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- Five (5) Board Meetings were held during the year 2014-2015. The dates on which the Board meetings were held is: 16th May, 2014, 28th May, 2014, 13th August, 2014, 13th November, 2014, and 13th February, 2015. Management Committee formed by Board of Directors to oversee day to day operations of the Company, which consist of Three (3) Executive Directors subject to supervision and control of the Board of Directors. The Management Committee formed by the Board makes decision within the authority delegated. All decisions/ recommendation of the Committees are placed before the Board for information and/or its approval.
- The Company has passed circular resolutions on 15th December, 2014 pertaining to the appointment of Mr. Subir Kumar Das as an additional director w.e.f. 15/12/2014 and resignation of Mr. Yagneshkumar B. Desai as a director of the Company w.e.f.13/12/2014 and reconstitution of committees.
- As per the requirement of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days.
- The information as required under Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda. As required under Clause 49 of the Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

## 5. Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(II)(E) of the Listing Agreement. The said Code of Conduct has been posted on the Company's website [www.dishmangroup.com](http://www.dishmangroup.com). A declaration to this effect duly signed by Chairman & Managing Director of the Company is attached herewith and forms part of Corporate Governance Report.

The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

## 6. Disclosures regarding appointment/re-appointment of Directors

- Mr. Arpit J. Vyas, Managing Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- The Board had, at its meeting held on 28th May, 2015, re-appointed Mrs. Deohooti J. Vyas as Whole-time Director of the Company for a further period of 5 years w.e.f. 3rd September, 2016 subject to approval of members.
- Mr. Mark C. Griffiths, was appointed as an Additional Director w.e.f September 1, 2014 to hold the office till the date of ensuing Annual General Meeting. The Company has received notice from the member of the Company signifying his intention to propose his appointment as Director of the Company.
- In accordance with the provisions of Section 149 of the Companies Act, 2013, Mr. Subir Kumar Das and Mr. Rajendra S. Shah were appointed as an Additional Director w.e.f 15th December, 2014 and 2nd April, 2015 respectively, being appointed as Independent Directors to hold office as per their tenure of appointment as mentioned in the Notice of the Annual General Meeting of the Company.
- The brief resume and other information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.
- During the year, Mr. Yagneshkumar B. Desai, Independent Director of the Company has resigned from the directorship w.e.f. 13th December, 2014.

# Corporate Governance Report (Contd.)

## C. AUDIT COMMITTEE

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

### 1. Composition

The Board of Directors of the Company has constituted an Audit Committee and has been reconstituted from time to time to comply with statutory requirement. Presently, the Audit Committee comprises qualified and independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The present composition of the Audit committee and Meetings attended by them during the financial year 2014-2015 is as follow:

Name and Designation	Category	No. of the Meeting	
		Held	Attended
Mr. Sanjay S. Majmudar [Chairman]	Non-Executive and Independent Director	4	4
Mr. Ashok C. Gandhi [Member]	Non-Executive and Independent Director	4	4
Mr. Subir Kumar Das [Member] (appointed w.e.f.15/12/2014)	Non-Executive and Independent Director	4	1
Mr. Yagneshkumar B. Desai (Resigned as Chairman of the Committee & Director w.e.f. 13/12/2014)	Non-Executive and Independent Director	4	1

The Committee is authorized by the Board in the manner as envisaged under Clause 49 (III)(C) of the Listing Agreement as well as under Section 177 of the Companies Act, 2013. The Committee has been assigned task as listed under Clause 49(III)(D) of the Listing Agreement. The Committee reviews the information as listed under Clause 49(III)(E) of the Listing Agreement as well as under Section 177 of the Companies Act, 2013.

### 2. Audit Committee Meetings

Four [4] Audit Committee Meetings were held during the year 2014-2015. The dates on which the Audit Committee Meetings were held is: 28th May, 2014, 13th August, 2014, 13th November, 2014, and 13th February, 2015. The maximum time gap between two meetings was not more than four months.

The Statutory Auditors, Internal Auditors of the Company and Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters. Mr. Y. B. Desai (Resigned w.e.f. 13/12/2014), being a Chairman of the Audit Committee, attended the last Annual General Meeting held on 4th September, 2014.

Mr. Tushar Shah Company Secretary and Compliance office act as Secretary of the Committee.

### 3. Broad Terms of reference and Powers

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the Clause 49 of the Listing Agreement as well as under Section 177 of the Companies Act, 2013.

# Corporate Governance Report (Contd.)

## D. STAKEHOLDERS RELATIONSHIP COMMITTEE

### 1. Composition

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement, the Board has renamed the existing "Shareholders' & Investors' Grievance Committee" as the "Stakeholders Relationship Committee". This Committee has constituted by the Board of Directors and has been reconstituted from time to time to comply with statutory requirement. The Committee specifically looks into issues relating to investors including share related matters and redressal of grievances of Security holders.

The Committee comprises three [3] directors and committee functions under the Chairmanship of an independent director. The present composition of the Stakeholders Relationship Committee and meetings attended by them during the financial year 2014-2015, is as follow:

Name and Designation	Category	No. of the Meeting	
		Held	Attended
Mr. Sanjay S. Majmudar [Chairman]	Non-Executive and Independent Director	4	4
Mr. Janmejay R. Vyas [Member]	Promoter and Executive Director	4	4
Mr. Ashok C. Gandhi [Member]	Non-Executive and Independent Director	4	4

### 2. Stakeholders' Relationship Committee

Four [4] meetings were held during the year 2014-2015. The dates on which the Stakeholders' Relationship Committee Meetings were held is: 27th May, 2014, 12th August, 2014, 12th November, 2014, and 12th February, 2015.

### 3. Terms of reference and Powers

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

## E. OTHER INFORMATION

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

### Name, Designation and address of the Compliance Officer

#### Mr. Tushar D. Shah, Company Secretary

Dishman Pharmaceuticals and Chemicals Ltd.  
Bhadra-Raj Chambers, Swastik Cross Roads,  
Navrangpura, Ahmedabad-380009  
Phone No.: [079] 26443053,  
Fax No. [079] 26420198  
Email : tushar.shah@dishmangroup.com

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

# Corporate Governance Report (Contd.)

## 1. Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2014-2015

Quarter-wise Summary of Investors' Complaints received and resolved					
Quarter Period		Opening	Received	Resolved	Pending
From	To				
1/04/2014	30/06/2014	NIL	NIL	NIL	NIL
1/07/2014	30/09/2014	NIL	6	6	NIL
1/10/2014	31/12/2014	NIL	6	6	NIL
1/01/2015	31/03/2015	NIL	1	1	NIL
<b>TOTAL</b>		<b>NIL</b>	<b>13</b>	<b>13</b>	<b>NIL</b>

## 2. Non-receipt/Unclaimed dividends or Securities

In case of non-receipt of dividend or request for unclaimed dividend of FY 2007-08 till FY 2013-14 and any unclaimed shares, shareholders are requested to write an application on plain paper to the Company at following address.

Mr. Tushar D. Shah,  
Company Secretary  
Dishman Pharmaceuticals and Chemicals Ltd.  
Bhadr-Raj Chambers, Swastik Cross Roads,  
Navrangpura, Ahmedabad - 380 009  
Contact No.: 079-26443053 / 5807  
Fax No. 079-26420198  
Email : grievance@dishmangroup.com

As per the notification issued by Ministry of Corporate Affairs (MCA) on 10th May, 2012, details of unclaimed dividend amounts as referred to Sub Section (2) of Section 205C of the Companies Act, 1956 is available on the Company's website: [www.dishmangroup.com](http://www.dishmangroup.com)

## 3. Amount Transferred to IEPF Account

As per the provision of Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. As the dividend declared in year 2006-2007, the seven years completed on 11th August, 2014, the Company has transferred the unpaid or unclaimed dividend amount for the financial year 2006-2007, to the IEPF on 1st September, 2014.

## 4. Due Date for transfer of Unclaimed and Unpaid Dividend to the IEPF

Dividend for the Financial Year	Dividend Payment Date	Proposed date for transfer of Unclaimed and unpaid dividends to IEPF
2007-08	5th August, 2008	30th August, 2015
2008-09	4th August, 2009	30th August, 2016
2009-10	3rd August, 2010	29th August, 2017
2010-11	2nd August, 2011	28th August, 2018
2011-12	28th September, 2012	25th October, 2019
2012-13	3rd August, 2013	29th August, 2020
2013-14	8th September, 2014	3rd October, 2021

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

## 5. Details of Unclaimed Shares

As per the new Clause 5A of the Listing agreement, as on 1st April, 2014, the Company has one case consists of 250 unclaimed shares, allotted under the Initial Public Offer (IPO) of the Company, completed during the year 2004. The Company has opened separate demat suspense account as per the procedure prescribed under the said clause. During the year Company has not received any request on unclaimed shares. As on 31st March, 2015 there was one case outstanding consists of 250 unclaimed shares in demat suspense account.

# Corporate Governance Report (Contd.)

As per Clause 5A of the Listing Agreement, Company has opened Separate Demat Suspense Account with the Depository Participant namely Bank of India, Navrangpura, Ahmedabad and transferred the outstanding 250 unclaimed shares to the said Account and rights relating to these shares shall remain frozen till the rightful owner of such shares claim the shares.

## F. Corporate Social Responsibility (CSR) Committee

### a) Constitution & Composition of CSR Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013 and rules framed there under. During the year under review, CSR Committee Meeting was held on 13th February, 2015. The composition of the CSR Committee and details of meetings attended by the members of the CSR Committee are given below:

Name and Designation	Category	No. of Meetings	
		Held	Attended
Mr. Janmejy R. Vyas [Chairman]	Non-Independent Director	1	1
Mr. Arpit J. Vyas [Member]	Non-Independent Director	1	1
Mr. Sanjay S. Majmudar [Member]	Independent Director	1	1

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

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

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

### c) CSR Policy

Your Company has developed a CSR Policy, which is reviewed from time to time and uploaded on the Company's website [www.dishmangroup.com](http://www.dishmangroup.com). The Committee has approved CSR Policy and proposed CSR Project from time to time.

## G. NOMINATION AND REMUNERATION COMMITTEE

### 1. Composition

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee". This Committee has constituted by the Board of Directors and has been reconstituted from time to time.

Presently the "Nomination and Remuneration Committee" comprises following qualified and independent Directors being a member of the Committee.

- Mr. Sanjay S. Majmudar [Chairman]
- Mr. Subir Kumar Das (appointed w.e.f. 15/12/2014) [Member]
- Mr. Ashok C. Gandhi [Member]

### 2. Nomination and Remuneration Committee Meeting

During the year, two [2] Nomination and Remuneration Committee meetings were held on 28th May, 2014 and on 13th February, 2015, which was attended by all the three Members. The Chairman of the Nomination and Remuneration Committee, Mr. Sanjay S. Majmudar was present at the last Annual General Meeting of the Company held on 4th September, 2014.

### 3. Terms of reference and Powers of the committee inter alia, includes the following :

- To determine and formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other senior employees.
- To recommend and review appointment and remuneration of Managing Director and Whole-time Directors/Executive Directors based on their performance and defined assessment criteria.
- Formulation of criteria for evaluation of Independent Directors and the Board.

# Corporate Governance Report (Contd.)

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Takes into account the financial position of the Company, profitability, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc. and brings out objectivity in determining the remuneration package, while striking a balance between Company's interest and that of the shareholders.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

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

#### 4. The Details of remuneration paid to all the Directors during the year:

##### Executive & Whole-Time Directors

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Whole-time Directors, subject to the approval of Members and Central Government, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc.

The details of remuneration paid to Managing and Whole-time Directors during the year 2014-2015 are as follows :

Name of Directors and Designation	Salary/ Remuneration	Perquisites & Allowances	Performance Linked/ Bonus/ Commission	Stock Options
Mr. Janmejy R. Vyas, Chairman & Managing Director	482.44	Nil	Nil	Nil
Mrs. Deohooti J. Vyas, Whole-Time Director	120.00	Nil	Nil	Nil
Mr. Arpit J. Vyas, Managing Director & CFO	108.00	Nil	Nil	Nil

(₹ In Lacs)

#### 5. Terms of Appointment Directors

As required under Clause 49VIII(E)(1), particulars of Directors seeking appointment/reappointment are given in Notice of the 32nd Annual General Meeting. Terms of Appointment of the Managing and Whole-time Directors as per the resolutions passed by Board and Shareholders are as under:

##### I. Executive Directors

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

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

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

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

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

**Tenure :** Five Years w.e.f. 3rd September, 2011. The period of office of Mrs. Deohooti J. Vyas shall be liable to determination by retirement of Director by rotation.

**Remuneration :** Subject to overall limit to all Managerial Personnel taken together, as laid down in the Companies Act, 1956, read with Schedule XIII thereto, Mrs. Deohooti J. Vyas shall be paid ₹ 10.00 lacs (Rupees Ten Lacs only) per month and the

# Corporate Governance Report (Contd.)

above remuneration payable to her may comprise salary, allowances and perquisites etc. as may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro-rata basis. The Board of Directors of the Company is authorised to increase or revise the remuneration of Mrs. Deohooti J. Vyas subject to maximum remuneration of ₹ 15.00 lacs (Rupees Fifteen Lacs only) per month, from time to time during the tenure of said five years.

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

Note : Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 28th May, 2015 has re-appointed Mrs. D. J. Vyas as Whole-time Director of the Company for a further period five years w.e.f. 3rd September, 2016, subject to approval of members at the General Meeting. For this purpose, a Special Resolution is being proposed in the Notice of this Annual General Meeting.

### 3. Mr. Arpit J. Vyas, Managing Director

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

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

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

## II. Non-Executive & Independent Directors

Payment of remuneration by way of Commission to Non-Executive Directors of the Company (Other than the Chairman & Managing Director, Managing Director and Whole-time Director) was approved by the Board of Directors at its meeting held on 28th May, 2014 and also approved by the members by passing a special resolution through Postal Ballot on 13th January, 2015 as per the provisions of the Companies Act, 2013.

As per the resolution passed by the members on 13/01/2015, the Board is authorised to determine from time to time payment of commission to Non executive directors for each financial year ending on 31st March, 2015 to 31st March, 2018 within maximum limit of 1% of net profit of the Company as per provision of Companies Act, 2013 subject to maximum of ₹ 25.00 lacs (Rupees twenty five lacs) in aggregate in addition to payment of sitting fees.

The Board of Directors at its Meeting held on 17th July, 2015 has approved the payment of commission to Non- Executive Directors of the Company (Other than the Chairman & Managing Director and Whole Time Director) for the FY2014-15 as follows.

### Commission & Sitting fees to Non-executive Directors

The details of payment of commission and sitting fees paid to Non-Executive Directors for the FY 2014-15 are as under :  
(₹ In lacs)

Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Yagneshkumar B. Desai (resigned w.e.f. 13/12/2014)	2.00	0.80
2.	Mr. Sanjay S. Majmudar	10.00	3.40
3.	Mr. Ashok C. Gandhi	9.00	3.20
4.	Mr. Subir Kumar Das (appointed w.e.f. 15/12/2014)	4.00	0.80

The Company also reimburses out of pocket expenses to outstation Director(s) for attending meetings in Ahmedabad. Mr. Mark Griffiths, Additional Director not entitled to any sitting fees.



# Corporate Governance Report (Contd.)

## 6. Relationship of Non-Executive Director with materially significant related party transactions.

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

## 7. Shareholding of Non-Executive Directors

Name of Non-Executive Directors	No. of Equity Shares held	Convertible Securities held
Mr. Sanjay S. Majmudar	24650	Nil
Mr. Ashok C. Gandhi	150	Nil
Mr. Subir Kumar Das (appointed w.e.f. 15/12/2014)	Nil	Nil
Mr. Rajendra S. Shah (appointed w.e.f. 02/04/2015)	Nil	Nil
Mr. Yagneshkumar B. Desai (resigned w.e.f. 13/12/2014)	Nil	Nil
Mr. Mark C. Griffiths (appointed w.e.f. 01/09/2014)	Nil	Nil

## 8. Stock Option

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

## 9. CEO and CFO Certification

In compliance of the Clause 49 of the Listing Agreement, the Chairman & Managing Director and CFO or Executive Director (Finance) of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Clause 41 of the Listing agreement the Chairman & Managing Director and CFO or Executive Director (Finance) also gives quarterly Certification on financial results while placing the financial results before the Board.

## H. DISCLOSURES

### A. Basis of Related Party Transaction

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2014-15. Related party transaction during the year have been disclosed vide note no. 27.15 of notes on financial statement as per requirement of Accounting Standard 18 on related party disclosure issued by ICAI. These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically. The Board has approved a policy for related party transactions which is uploaded on the website of the Company [www.dishmangroup.com](http://www.dishmangroup.com).

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

### B. Disclosure of accounting treatment in preparation of Financial Statements

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

### C. MDA

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

### D. CEO/CFO Certificate

The Chairman and Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2015 in compliance with Clause 49 of Listing Agreement.

### E. Details of non-compliance by the Company

Your Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market.

# Corporate Governance Report (Contd.)

## **F. Risk Management Policy**

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

## **G. Whistleblower Policy**

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

## **H. Material Subsidiary**

The Company has policy for determining "Material Subsidiary" which is uploaded on the website of the Company on [www.dishmangroup.com](http://www.dishmangroup.com)

## **I. Familiarization program for Independent Directors**

The Company has taken necessary steps to familiar all independent directors about the Company. The familiarization programme as per Clause 49(II)(B)(7) has been disclosed on the company's website on [www.dishmangroup.com](http://www.dishmangroup.com).

## **J. Proceeds from Public Issue / Rights Issue / Preferential Issue / Warrant Conversion**

During the year, the Company has not raised any funds through Public Issue / Rights Issue / Preferential Issue / Warrant Conversion.

## **K. Conflict of Interest**

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

## **L. Audit Qualification**

Company's financial statements are unqualified. There is no qualification on Auditor's report on standalone as well as consolidated financial statement to the shareholders of the company.

## **M. Reporting of Internal Auditor**

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

## **N. Compliance with the Corporate Governance Code**

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The non-mandatory requirements complied with has been disclosed at the relevant places under the appropriate head.

## **I. INFORMATION ABOUT GENERAL BODY MEETINGS**

### **1. Annual General Meeting**

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

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2011-2012	H.T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380015	25/09/2012	9.30 a.m.
2012-2013	Hall No.S 3-5, Ground Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	30/07/2013	9.30 a.m.
2013-2014	H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	04/09/2014	9.30 a.m.

# Corporate Governance Report (Contd.)

## 2. Special Resolution (without postal ballot) passed at the Last Three AGM

Year	Date Of AGM	No. of Resolutions Passed	Particulars
2011-2012	25/09/2012	Nil	-
2012-2013	30/07/2013	2	<ul style="list-style-type: none"> <li>• To appoint Whole Time Director Mr. Arpit J. Vyas as Managing Director of the Company w.e.f 28th May, 2013 and also re-appoint him for the further period five years w.e.f. 1st June, 2014.</li> <li>• To revise the limit of Commission to Non Executive Directors, Subject to maximum of ₹ 18 Lacs in aggregate, in addition to sitting fees paid by company to all Non Executive Directors</li> </ul>
2013-2014	04/09/2014	Nil	-

## 3. Postal Ballot Resolutions

The Company successfully completed the process of obtaining approval of its Members on the following resolutions (except at sr. no. 8) through Postal Ballot as per provisions of Section 110 of the Companies Act, 2013 during the year 2014-2015:

1. Reappointment of Mr. Janmejy R. Vyas (DIN: 00004730) as Chairman & Managing Director and payment of remuneration to him;
2. Increase the Borrowing Power under section 180(1)(c) of the Companies Act, 2013;
3. Mortgage, Hypothecate and/or to create Charge on all or any of the movable and/or immovable properties of the company under section 180(1)(a) of the Companies Act, 2013;
4. Authorize Board of Directors to give loans, provide guarantee/security and make investment on behalf of the Company under section 186 of the Companies Act, 2013;
5. To approve the payment of remuneration by way of Commission to Non-Executive Directors;
6. To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013;
7. To alter Memorandum of Association by way of deletion of sub-clause [c] of clause III (other objects);
8. To approve Related Party Transactions;
9. To approve the place of keeping and inspection of registers, returns etc;
10. To authorise Board of Directors in the matter relating to issue of shares to Qualified Institutional Person/Investor (QIP) and matter incidental thereto;
11. To consider Employee Stock Option Scheme (ESOP);
12. To consider Employee Stock Option Scheme (ESOP) to employees of subsidiaries;

### Voting Pattern and Procedure for Postal Ballot:

- (i) The Board of Directors of the Company at its meeting held on November 13, 2014 appointed Mr. Ashok P. Pathak, Practicing Company Secretary, Ahmedabad, as the Scrutiniser for conducting the postal ballot voting process;
- (ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;
- (iii) All postal forms received up to the close of working hours on January 9, 2015, the last date and time fixed by the Company for receipt of the postal ballot forms, had been considered by Scrutiniser in his scrutiny;
- (iv) Envelopes containing postal ballot forms received after January 9, 2015 for the postal ballot had not been considered for the scrutiny;
- (v) The result of the Postal Ballot was announced by the Chairman on January 13, 2015 at the Registered Office of the Company as per scrutinizer's Report is as under

# Corporate Governance Report (Contd.)

## Item No. 1 Special Resolution : To re-appoint Mr. Janmejy R. Vyas (Din: 00004730) as Chairman & Managing Director and payment of remuneration to him.

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	944303	6028033	13.54%	86.46%
Public- Others	19142949	2130743	11.13%	2125918	4825	99.77%	0.23%
<b>Total</b>	<b>80697136</b>	<b>56373528</b>	<b>69.86%</b>	<b>50340670</b>	<b>6032858</b>	<b>89.30%</b>	<b>10.70%</b>

## Item No. 2 Special Resolution :To increase the Borrowing Power u/s. 180(1)(c) of the Companies Act, 2013.

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	6972336	0	100.00%	0.00%
Public-Others	19142949	2130393	11.13%	2126863	3530	99.83%	0.17%
<b>Total</b>	<b>80697136</b>	<b>56373178</b>	<b>69.86%</b>	<b>56369648</b>	<b>3530</b>	<b>99.99%</b>	<b>0.01%</b>

## Item No. 3 Special Resolution :To Mortgage, Hypothecate and/or Charge all or any of the movable and / or immovable properties of the company u/s. 180(1)(a) of the Companies Act, 2013.

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	6972336	0	100.00%	0.00%
Public- Others	19142949	2130913	11.13%	2126725	4188	99.80%	0.20%
<b>Total</b>	<b>80697136</b>	<b>56373698</b>	<b>69.86%</b>	<b>56369510</b>	<b>4188</b>	<b>99.99%</b>	<b>0.01%</b>

# Corporate Governance Report (Contd.)

## Item No. 4 Special Resolution : To authorise Board of Directors to give loans, provide guarantee/security and make investment on behalf of the Company

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	944303	6028033	13.54%	86.46%
Public- Others	19142949	2131193	11.13%	2128893	2300	99.89%	0.11%
<b>Total</b>	<b>80697136</b>	<b>56373978</b>	<b>69.86%</b>	<b>50343645</b>	<b>6030333</b>	<b>89.30%</b>	<b>10.70%</b>

## Item No. 5 Special Resolution : To approve the payment of remuneration to Non-Executive Directors

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	6972336	0	100.00%	0.00%
Public- Others	19142949	2130639	11.13%	2127316	3323	99.84%	0.16%
<b>Total</b>	<b>80697136</b>	<b>56373424</b>	<b>69.86%</b>	<b>56370101</b>	<b>3323</b>	<b>99.99%</b>	<b>0.01%</b>

## Item No. 6 Special Resolution :To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	4976712	34.84%	4625218	351494	92.94%	7.06%
Public- Others	19142949	2130691	11.13%	2129316	1375	99.94%	0.06%
<b>Total</b>	<b>80697136</b>	<b>54377852</b>	<b>67.39%</b>	<b>54024983</b>	<b>352869</b>	<b>99.35%</b>	<b>0.65%</b>

# Corporate Governance Report (Contd.)

## Item No. 7 Special Resolution : To alter Memorandum of Association by way of deletion of sub-clause [c] of clause III (other objects)

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	4976712	34.85%	4625218	351494	92.94%	7.06%
Public- Others	19142949	2130339	11.13%	2127934	2405	99.89%	0.11%
<b>Total</b>	<b>80697136</b>	<b>54377500</b>	<b>67.38%</b>	<b>54023601</b>	<b>353899</b>	<b>99.35%</b>	<b>0.65%</b>

## Item No. 8 Special Resolution :To approve Related Party Transactions\*

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%**	0.00%
Public Institutional holders	14283738	6972336	48.81%	3291421	3680915	47.21%	52.79%
Public-Others	19142949	2129816	11.13%	2126083	3733	99.82%	0.18%
<b>Total</b>	<b>33426687</b>	<b>9102152**</b>	<b>27.23%**</b>	<b>5417504**</b>	<b>3684648**</b>	<b>59.52%**</b>	<b>40.48%</b>

\*\* According to the provision of Section 188 of the Companies Act, 2013 and Explanation II of Clause 49(VII)(E) of Listing Agreement as amended vide SEBI Circular No. CIR/ CFD/POLICY CELL/ 7/2014 dated 15th September, 2014, all entities / members falling under the definition of related parties shall abstain from voting on special resolutions irrespective of whether the entity / member is a party to the particular transaction or not. In due compliance of this provisions, the vote cast by 6(six) members in Promoters and Promoters Group / Related Entities holding 47270449 Equity Shares are not taken into consideration while calculating the result of Postal Ballot.

\*As the vote cast in favour of resolution by evoting and postal ballot, by members who, being entitled so to do are not exceeding three times the number of the votes cast against the resolution by members so entitled and voted, this resolution could not be carried through as a special resolution.

## Item No. 9 Special Resolution : To approve the place of keeping and inspection of registers, returns etc.

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	6972336	0	100.00%	0.00%
Public- Others	19142949	2130369	11.13%	2130189	180	100.00%	0.00%
<b>Total</b>	<b>80697136</b>	<b>56373154</b>	<b>69.86%</b>	<b>56372974</b>	<b>180</b>	<b>100.00%</b>	<b>0.00%</b>

# Corporate Governance Report (Contd.)

## Item No. 10 Special Resolution : To authorise Board of Directors in the matter relating to issue of shares to Qualified Institutional Person/Investor (QIP) and matter incidental thereto

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	6972336	48.81%	3264307	3708029	46.82%	53.18%
Public- Others	19142949	2131169	11.13%	2129369	1800	99.92%	0.08%
<b>Total</b>	<b>80697136</b>	<b>56373954</b>	<b>69.86%</b>	<b>52664125</b>	<b>3709829</b>	<b>93.42%</b>	<b>6.58%</b>

## Item No. 11 Special Resolution :To consider Employee Stock Option Scheme (ESOP)

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	4976712	34.84%	917189	4059523	18.43%	81.57%
Public-Others	19142949	2130869	11.13%	2123901	6968	99.67%	0.33%
<b>Total</b>	<b>80697136</b>	<b>54378030</b>	<b>67.39%</b>	<b>50311539</b>	<b>4066491</b>	<b>92.52%</b>	<b>7.48%</b>

## Item No. 12 Special Resolution : To consider Employee Stock Option Scheme (ESOP) to employees of subsidiaries

Promoter/ Public	No. of Shares held-1	No. of Votes polled-2	% of Votes Polled on outstanding shares (3)= (2)/(1)*100	No. of Votes in favour-4	No. of Votes against-5	% of Votes in favour on votes polled (6)=(4)/(2)* 100	% of Votes against on votes polled (7)=(5)/(2)* 100
	1	2	3	4	5	6	7
Promoter and Promoter Group	47270449	47270449	100.00%	47270449	0	100.00%	0.00%
Public Institutional holders	14283738	4976712	48.81%	917189	4059523	13.15%	58.22%
Public- Others	19142949	2130839	11.13%	2122646	8193	99.62%	0.38%
<b>Total</b>	<b>80697136</b>	<b>54378000</b>	<b>67.39%</b>	<b>50310284</b>	<b>4067716</b>	<b>92.52%</b>	<b>7.48%</b>

#### 4. Whether any resolution are proposed to be conducted through postal ballot

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

# Corporate Governance Report (Contd.)

## J. MEANS OF COMMUNICATION

**Financial Results:** The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges, immediately after the same are taken on record by the Board. These results are normally published in Indian Express (English edition) and in Financial Express (Gujarati edition). These are not sent individually to the shareholders.

- **Website:** The Company's results, annual reports and official news releases are displayed on the Company's web-site [www.dishmangroup.com](http://www.dishmangroup.com). The said Company's website also containing basic information about the Company includes information about the Company's business, financial information, shareholding pattern, compliance with corporate governance, Company's director, registrar & transfer agent, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The Company had meetings with and made presentations to the institutional investors and analysts during the year.
- **NSE Electronic Application Processing System (NEAPS) :** The NEAPS is a web based application designed by National Stock Exchange of India Ltd. (NSE) for corporates. The Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures of the Company are also filed electronically on NEAPS.
- **BSE Listing Center:** Bombay Stock Exchange Limited (BSE) has also launched a web based system for corporates to make their periodic submission of compliances online. Your company is also filing the Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures through the BSE Listing Center.
- **Processing of investor complaints in SEBI Complaints Redress System (SCORES) :** SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.
- **Price Sensitive Information:** All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders.

## K. GENERAL SHAREHOLDER INFORMATION

### 1. Company Registration Details

The Company is registered under The Companies Act, 1956 with the Office of Registrar of Companies, Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is : L24230GJ1983PLC006329.

### 2. 32nd Annual General Meeting

<b>Date &amp; Time</b>	<b>Venue</b>
29th day of September, 2015 at 10.00 a.m.	H.T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

### 3. Financial Year

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

<b>Financial Results ended</b>	<b>Tentative Timeline</b>
30th June, 2015	- 45 days from end of Quarter 30th June, 2015
30th September, 2015	- 45 days from end of Quarter 30th September, 2015
31st December, 2015	- 45 days from end of Quarter 31st December, 2015
Audited Results for the year ended on 31st March, 2016	- 60 days from end of Financial Year (i.e. on or before 31st May, 2016)



# Corporate Governance Report (Contd.)

## 4. Date of Book Closure

The Register of Members and Share Transfer Books of the Company were closed from **Saturday, 12th September, 2015 to Tuesday, 29th September, 2015 (both days inclusive)** for the purpose of ensuing Annual General Meeting. The final dividend, if approved by shareholders at AGM, for the year 2014-2015 shall be paid to shareholders whose names appear:

- As beneficial owner at the end of business day 11th September, 2015 as per the details available with NSDL and CDSL.
- On the Register of Members as on 11th September, 2015 of the owners holding shares in physical form.

## 5. Dividend Payment Date - On and after 30th September, 2015 but within the statutory time of 30 days from the date of declaration by shareholders

## 6. Listing on Stock Exchange

### A. Equity Shares

The shares of the Company are listed on following two Stock Exchange having nationwide trading terminals.

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

### B. Debt Security

The Secured Redeemable Non-Convertible Debentures (NCD) of ₹ 150.00 crores issued by the Company in two tranches is also listed at Bombay Stock Exchange Ltd., Mumbai (BSE).

- Annual listing fees for the year 2015-2016 as applicable have been paid to both the Stock Exchanges.
- The Company has also paid Annual custodial fees for the year 2015-2016 as applicable, to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- As on 31st March, 2015, there were 42798 shareholders of the Company.

## 7. Stock Code

### A. Equity Shares :

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

### B. Debt Security :

Sr. No.	Debt Security Listed at BSE	Script Code at BSE	ISIN of Debt Security
1	NCD-I @ 10.35% p.a. of face value of ₹ 10.00 lacs each	946681	INE353G07035
		946682	INE353G07043
2	NCD-II @ 9.65% p.a. of face value of ₹ 1.00 lac each	946836	INE353G07068

## 8. Name of the Debenture Trustee

IDBI Trusteeship Services Ltd.  
Asian Building, Ground Floor,  
17th R. Kamani Marg,  
Ballard Estate, Mumbai - 400 001

# Corporate Governance Report (Contd.)

## 10. Market Price Data

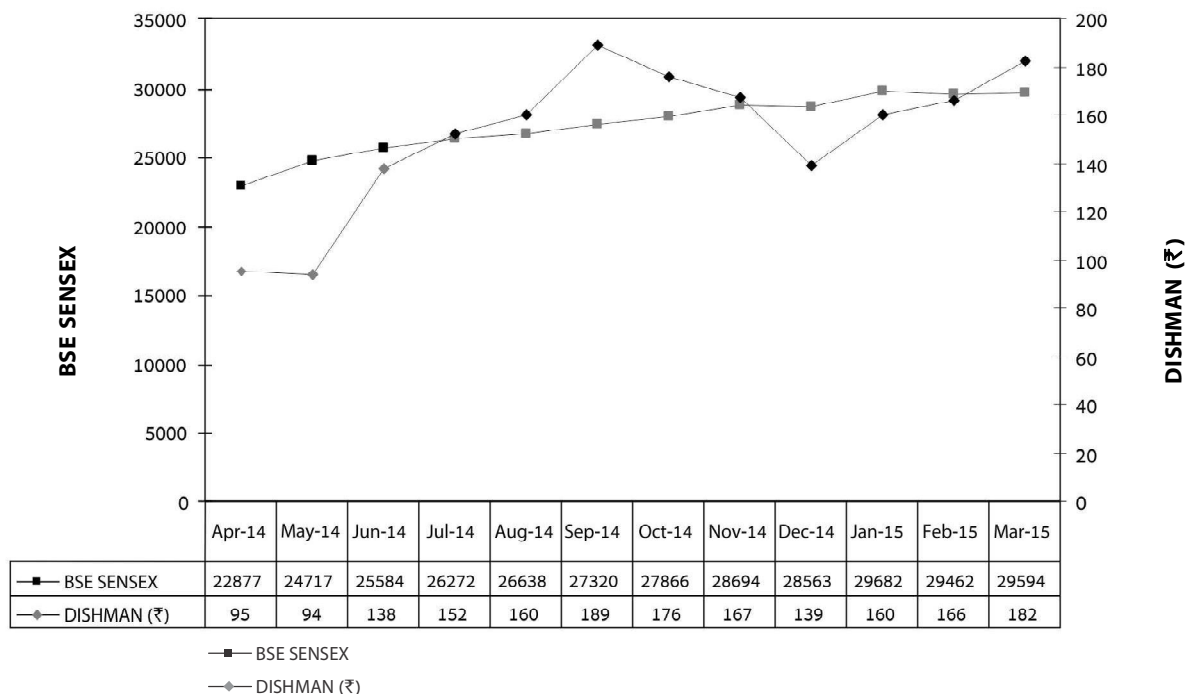
The table below sets forth, for the periods indicated, the Closing high and low, volume and total volume of trading activity on the BSE and NSE for the equity shares of the Company.

(Price in ₹ per share)

MONTH Volume	NSE			BSE			Total (NSE & BSE)
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume	
April, 2014	86.75	94.40	2783564	94.75	86.95	807593	3591157
May, 2014	94.25	82.50	2542202	94.25	82.85	510690	3052892
June, 2014	138.50	87.90	5477846	138.20	87.80	1511647	6989493
July, 2014	151.50	121.40	3171437	151.70	121.35	782059	3953496
August, 2014	159.80	128.15	3196970	159.55	128.25	916464	4113434
September, 2014	189.50	156.05	3060509	189.25	155.85	725583	3786092
October, 2014	176.25	152.35	1009379	176.30	152.62	228402	1237781
November, 2014	165.60	137.85	2627545	166.05	138.25	666345	3293890
December, 2014	138.15	116.70	1560482	138.05	117.50	468052	2028534
January, 2015	160.55	126.60	6857116	160.40	126.65	1578971	8436087
February, 2015	166.05	152.05	4777608	166.25	151.85	1152954	5930562
March, 2015	182.50	154.35	3901738	182.20	154.20	580814	4482552

## 11. Price Movement Chart of DISHMAN V/s. BSE Sensex

**DISHMAN MONTHLY HIGH SHARE PRICE CLOSING V/S BSE SENSEX MONTHLY HIGH CLOSING**



# Corporate Governance Report (Contd.)

## 12. Distribution of Shareholding Pattern as on 31st March, 2015

No. of Equity Shares Held			No. of Share Holding	% of Share % of total	No. of Equity Shares Held	% of total Holding
1	-	500	38632	90.27	4626663	5.7334
501	-	1000	2178	5.09	1776254	2.2011
1001	-	2000	1025	2.39	1560120	1.9333
2001	-	3000	299	0.70	771423	0.9559
3001	-	4000	151	0.35	545350	0.6758
4001	-	5000	124	0.29	582267	0.7215
5001	-	10000	182	0.43	1313469	1.6277
10001	and	Above	207	0.48	69521590	86.1512
<b>Total</b>			<b>42798</b>	<b>100.00</b>	<b>80697136</b>	<b>100.0000</b>

## 13. Shareholding pattern

Sr. No.	Category	As on March 31, 2015	
		No. Of Shares Held	% Of Holding
1	Promoters	49548449	61.40
2	Mutual Fund & UTI	886198	1.10
3	Bank, Financial Institutions (FI's), Insurance Companies	1917394	2.38
4	Foreign Institutional Investors (FI's)	12549735	15.55
5	Private Bodies Corporate	3074681	3.81
6	Indian Public	11549732	14.31
7	Any Other		
	(i) Non Resident Indian	607114	0.75
	(ii) Clearing Members	526483	0.65
	(iii) Independent Directors & Relatives and their holding	37350	0.05
<b>Total</b>		<b>80697136</b>	<b>100.00</b>

## 14. Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31st March, 2015, 80695515 equity shares of the Company, forming 99.99% of the Company's paid-up equity share capital, is in dematerialized form. Company's shares are easily traded on both the stock exchanges i.e. BSE and NSE.

## 15. Corporate Benefits to Investors - Last Ten years' dividend track record of the Company

Financial Year	Dividend (%)	Div. Amount (in lacs)	Dividend Per Share (In ₹)
2004-05	25	343.34	2.50*
2005-06	35	481.56	0.70
2006-07	50	762.65	1.00
2007-08	50	806.97	1.00
2008-09	60	968.37	1.20
2009-10	60	968.37	1.20
2010-11	60	968.37	1.20
2011-12	60	968.37	1.20
2012-13	60	968.37	1.20
2013-14	60	968.37	1.20

\* Shares of face value of ₹ 10/- per share.

**Note:** For the financial year 2014-2015 Directors of the Company have recommended a final dividend @ 100% on the paid-up equity share capital of the Company (₹ 2.00/- per share) subject to shareholders' approval at the ensuing Annual General Meeting.

## 16. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company has no outstanding GDRs/ADRs/Warrants/Options or any convertible Instruments as on 31st March, 2015.

# Corporate Governance Report (Contd.)

## 17. Share Transfer System

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

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

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

## 18. Reconciliation of Share Capital Audit Report

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

## 19. Registrar and Share Transfer Agent (RTA)

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai - 400 078  
Tel. No. 91-22-2596 3838, Fax No. : 91-22-2594 6969,  
Email:mumbai@linkintime.co.in

### Branch Offices: Ahmedabad

Unit 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G.Road, Ahmedabad - 380009  
Tel No. 079-26465179 Email: ahmedabad@linkintime.co.in

### Coimbatore

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

### Kolkata

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

### New Delhi

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

### Pune

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

### Vadodara

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

## 20. Plant Location

- **Naroda Plant :**  
Phase - IV, 1216/20, G.I.D.C. Estate, Naroda, Ahmedabad - 382 330. (Also other Plots in Phase-I and IV ).
- **Bavla Plant :**  
Survey No. 47, Paiki Sub Plot No. 1, Village - Lodariyal, Taluka- Sanand, District - Ahmedabad. (Also various other Adjacent Plots).

# Corporate Governance Report (Contd.)

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**21. Address of the Correspondence****For Share Transfers / Dematerialization or other queries relating to shares/debentures of the Company (RTA)****Company Address (Secretarial Department)**

Link Intime India Pvt Ltd  
C-13 Pannalal Silk Mills Compound, L.B.S Marg,  
Bhandup [West], Mumbai-400078  
Tel. No. 91-22-2596 3838, Fax No.: 91-22-2594 6969  
Email: mumbai@linkintime.co.in

Dishman Pharmaceuticals and Chemicals Limited  
Bhadra-Raj Chambers, Swastik Cross Road, Navrangpura,  
Ahmedabad - 380 009.  
Phone No.: 91-79-26443053  
Fax No.: 91-79-26420198  
Email: grievance@dishmangroup.com

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## Certificate of Compliance with the Code of Conduct

This is to certify that the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the revised Clause 49 of the Listing Agreement.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on March 31, 2015.

**Date : 22 August, 2015**

**Place : Ahmedabad**

**Janmejay R. Vyas**

Chairman & Managing Director

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# Corporate Governance Report (Contd.)

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## Certificate on Corporate Governance

To,  
The Members  
Dishman Pharmaceuticals and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Dishman Pharmaceuticals and Chemicals Limited ('the Company'), for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **Ashok P. Pathak & Co.**  
Company Secretaries

**Ashok P. Pathak**  
Proprietor  
Membership No. 9939  
COP No. 2662

**Place: Ahmedabad**  
**Date : 22nd August, 2015**

# Independent Auditor's Report

To The Members of  
Dishman Pharmaceuticals and Chemicals Limited

## Report on the Standalone Financial Statements

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

## Management's Responsibility for the Standalone Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (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 section 143(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 by law have been kept by the Company so far as appears from our examination of those books
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in annexure.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its financial statements .
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V. D. Shukla & Co.**  
Chartered Accountants  
FRN: 110240W

**Vimal D. Shukla**  
Proprietor

Place : Ahmedabad  
Date : 22nd August, 2015

(Membership No.: 036416)

# Annexure To Audit Report

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**The Annexure referred to in paragraph 1 of the our Report of even date to the members of Dishman Pharmaceuticals and Chemicals Limited on the accounts of the company for the year ended 31st March, 2015.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loan to a subsidiary company covered in the register maintained under Section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is not yet stipulated and payment of interest has been regular.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not accepted any deposit under section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the notification by the central government for maintenance of cost records under sub-section 1 of section 148 of the Companies Act 2013 and on the basis of information received, we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained as per the requirement. We have, however, not carried out a detailed examination or audit of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.  
(b) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under.



## Annexure To Audit Report (Contd.)

Statute	Nature of dues	Forum where dispute is pending	Period for which the amount related	Amount involved (₹ Lacs)
The Income Tax Act, 1961	Income Tax	Income Tax Appellate	2001-2002, 2002-2003, 2003-2004, 2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009	4106.99
		Hon. High Court of Gujarat	2002-2003, 2003-2004, 2004-2005	729.26
		Commissioner of income tax (Appeals)	2008-2009, 2010-2011	1472.73
Central Sales Tax	Sales Tax	Gujarat VAT Tribunal	2006-2007	118.81
		Joint Commissioner, Commercial Tax	2001-2002	24.42
Gujarat Sales Tax Act	Sales Tax	Gujarat VAT Tribunal	2006-2007	146.97
		Joint Commissioner, Commercial Tax	2001-2002, 2007-2008, 2008-2009	269.36
Central Excise Act, 1944	Excise Duties and Service Tax	Hon. High Court of Gujarat	2003-2004	13.84
		Central Excise and Service Tax Appellate Tribunal	2006-2007, 2008-2009, 2009-2010, 2012-13	154.25
		The Commissioner (Appeals) Central Excise	2006-2007, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2013-14	272.97

8. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and not in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank.
10. According to the information and explanations given to us, the Company has given corporate guarantee for loan taken by other from bank or financial institutions.
11. According to the information and explanation given to us, the term loan taken by the company has been utilised for the purpose for which the loans were obtained.
12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For V. D. Shukla & Co.**  
Chartered Accountants  
FRN: 110240W

**Vimal D. Shukla**  
Proprietor

Place : Ahmedabad  
Date : 22nd August, 2015

(Membership No.: 036416)

# Balance Sheet

as at 31st March, 2015

Particulars	Note	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,613.94	1,613.94
(b) Reserves and surplus	4	82,028.72	78,093.56
		<u>83,642.66</u>	<u>79,707.50</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	24,296.22	23,974.05
(b) Deferred tax liabilities (Net)		6,832.96	5,058.42
(c) Other long-term liabilities	6	-	2,372.38
(d) Long-term provisions	7	682.69	482.69
		<u>31,811.87</u>	<u>31,887.54</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	26,259.00	17,671.81
(b) Trade payables	9	9,958.96	8,362.52
(c) Other current liabilities	10	14,544.07	14,875.06
(d) Short-term provisions	11	3,108.93	3,176.61
		<u>53,870.96</u>	<u>44,086.00</u>
<b>TOTAL</b>		<b><u>169,325.49</u></b>	<b><u>155,681.04</u></b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12.A	69,299.81	69,266.51
(ii) Intangible assets	12.B	61.95	194.69
(iii) Capital work-in-progress		1,015.41	985.79
		<u>70,377.17</u>	<u>70,446.99</u>
(b) Non-current investments	13	21,015.55	18,705.69
(c) Long-term loans and advances	14	23,764.16	24,239.59
(d) Other non-current assets	15	-	-
		<u>44,779.71</u>	<u>42,945.28</u>
<b>2 Current assets</b>			
(a) Current Investment		1,320.00	-
(b) Inventories	16	17,189.81	13,385.86
(c) Trade receivables	17	9,764.78	6,942.20
(d) Cash and cash equivalents	18	2,262.19	1,125.66
(e) Short-term loans and advances	19	21,450.58	19,975.48
(f) Other current assets	20	2,181.25	859.57
		<u>54,168.61</u>	<u>42,288.77</u>
<b>TOTAL</b>		<b><u>169,325.49</u></b>	<b><u>155,681.04</u></b>

See accompanying notes forming part of the financial statements 1 to 27

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejay R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015

# Statement of Profit and Loss

for the year ended 31st March, 2015

Particulars	Note	₹ in Lacs	
		For the year ended 31 March, 2015	For the year ended 31 March, 2014
1 Revenue from operations (gross)	21	48,347.52	47,873.22
Less: Excise duty & VAT	21	<u>478.21</u>	<u>545.10</u>
Net Revenue from operations		47,869.31	47,328.12
2 Other income	22	6,699.77	5,597.56
<b>3 Total revenue (1+2)</b>		<b><u>54,569.08</u></b>	<b><u>52,925.68</u></b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	23.a	19,622.82	17,897.21
(b) Purchases of stock-in-trade	23.b	2,586.93	516.09
(c) Changes in inventories of finished goods and work-in-progress	23.c	(2,269.23)	(848.67)
(d) Employee benefits expense	24	5,887.92	5,837.83
(e) Finance costs	25	6,813.28	6,921.52
(f) Depreciation and amortization expense	12	4,413.24	4,413.47
(g) Other expenses	26	7,131.53	6,304.59
<b>Total expenses</b>		<b><u>44,186.49</u></b>	<b><u>41,042.04</u></b>
<b>5 Profit before tax (3-4)</b>		<b><u>10,382.59</u></b>	<b><u>11,883.64</u></b>
<b>6 Tax expense:</b>			
(a) Current tax expense		1,999.65	2,874.24
(b) (Less) :- Short Provision of current tax of previous year		(346.19)	-
(c) MAT credit		355.80	(346.19)
(d) Net current tax expense		<u>2,701.64</u>	<u>2,528.05</u>
(e) Deferred tax		1,833.12	676.93
Net Tax expense		<b><u>4,534.76</u></b>	<b><u>3,204.98</u></b>
<b>7 Profit for the year (5 - 6)</b>		<b><u>5,847.83</u></b>	<b><u>8,678.66</u></b>
<b>8. Earnings per share (of ₹ 2.00/- each):</b>			
(a) Basic	27.9	7.25	10.75
(b) Diluted	27.9	7.25	10.75

See accompanying notes forming part of the financial statements<sup>1</sup> to 27

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejay R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015

# Cash Flow Statement

for the year ended 31st March, 2015

Particulars	<u>2014-15</u>	₹ in Lacs 2013-14
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>10,382.59</b>	<b>11,883.64</b>
Adjustment for :		
Depreciation and Amortisation (with Retained earning effect)	4,413.24	4,413.47
Interest Expenses	6,813.28	6,921.52
Dividend Income	(2,074.59)	(3,118.70)
Interest Income	(1,911.83)	(2,165.05)
Loss /(Gain) on Sale of Investments	(152.41)	-
Loss /(Gain) on Sale of Fixed Assets (Net)	7.77	(7.05)
Unrealised Foreign Exchange Loss / (Gain)	92.46	(830.18)
Provision for doubtful debts and advances	(810.17)	200.00
<b>Operating Profit before Working capital Changes</b>	<b>16,776.34</b>	<b>17,297.65</b>
Adjustment for (Increase) / Decrease in Working Capital :		
Inventories	(3,803.95)	(609.74)
Trade Receivables	(3,472.42)	(1,503.43)
Loans and Advances	(6,012.30)	898.87
Trade Payable and Provisions	143.34	(1,007.07)
<b>Cash generated from Operations</b>	<b>3,615.01</b>	<b>15,076.28</b>
Direct Taxes Paid (Net)	(3,085.86)	(2,506.38)
<b>Net Cash from Operating Activities</b>	<b>529.15</b>	<b>12,569.90</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(5,941.34)	(9,353.46)
Sale of Fixed Assets	19.57	60.67
Sale of Investments	(2,157.45)	-
Share application money in subsidiaries/joint ventures	-	500.00
Interest received	1,911.83	2,165.05

# Cash Flow Statement (Contd.)

for the year ended 31st March, 2015

Particulars	₹ in Lacs	
	2014-15	2013-14
Dividend Received	2,074.59	3,118.70
Loans and Advances Given to related parties(Net)	2,163.59	(1,180.35)
Balance Held as Margin Money	(729.81)	(64.24)
<b>Net Cash used in Investing Activities</b>	<b>(2,659.02)</b>	<b>(4,753.63)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Repayment Long Term Borrowings	1,937.41	1,000.02
Proceeds from Short Term Loans	8,587.20	(779.14)
Interest Paid	(6,855.07)	(6,939.31)
Dividend Paid	(968.37)	(968.37)
Dividend Tax Paid	(164.57)	(157.09)
<b>Net Cash used in Financing Activities</b>	<b>2,536.60</b>	<b>(7,843.89)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>406.73</b>	<b>(27.62)</b>
<b>Cash and Cash Equivalents as at 1st April (Opening Balance)</b>	<b>676.38</b>	<b>704.00</b>
<b>Cash and Cash Equivalents as at 31st March (Closing Balance)</b>	<b>1,083.11</b>	<b>676.38</b>
<b>Reconciliation of Cash and Cash Equivalents with the balance sheet</b>		
Cash and cash equivalent (Note No. 18)	2,262.19	1,125.66
Balance held as margin money	1,179.08	449.28
Cash and cash equivalent (As per cash flow statement)	1,083.11	676.38

## Notes:-

- The cash flow statement has been prepared under the 'Indirect method' set out in Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006
- Previous year's figures have been regrouped wherever necessary, to confirm to this year's classifications.

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejay R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015

# Notes

forming part of the financial statements

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## **1.00 Significant accounting policies**

### **1.10 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless otherwise stated.

### **1.20 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### **1.30 Inventories**

Inventories are valued at the lower of cost (e.g. on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### **1.40 Depreciation and amortisation**

Depreciation has been provided on straight line method and in the manner specified in Schedule II of the Companies Act, 2013. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use. Capital work - in - progress includes capital advances. In accordance with the provisions of the Companies Act 2013, effective from 1st April 2014, the company has reassessed the remaining useful life of its Fixed Assets as prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower. In case of the asset, whose life has expired, the carrying value, net of residual value of ₹ 110.69 Lacs as at 1st April 2014 has been adjusted to the Retained Earnings and in other cases, the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the statement of Profit & Loss.

### **1.50 Revenue recognition**

"Sale of Goods : "Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax." "Income from Services : "Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred." "Other Income : "Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established."

### **1.60 Fixed assets (Tangible/Intangible)**

"Fixed assets, except for certain assets which has been stated at revalued amount, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance." "Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project is ready for its intended use. " "Capital work in progress : "Projects under which tangible

# Notes (Contd.)

forming part of the financial statements

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fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest."

## **1.70 Foreign currency transactions and translations**

"Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction." "Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost." "Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and surplus in the Balance Sheet as "Foreign currency monetary item translation difference account". "

## **1.80 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## **1.90 Employee benefits**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

"Defined contribution plans" The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees."

"Defined benefit plans" For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes."

"Short-term employee benefits" The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. "The cost of short-term compensated absences is accounted as under : "(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and "(b) in case of non-accumulating compensated absences, when the absences occur."

"Long-term employee benefits" Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. "

## **2.00 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

# Notes (Contd.)

forming part of the financial statements

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## **2.10 Taxes on income**

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961." "Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company."

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

## **2.20 Research and development expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

## **2.30 Impairment of assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

## **2.40 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## **2.50 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **2.60 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.



# Notes (Contd.)

forming part of the financial statements

## 3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised				
Equity shares of ₹ 2.00 each with voting rights	100,000,000	2,000.00	100,000,000	2,000.00
	100,000,000	2,000.00	100,000,000	2,000.00
(b) Issued Subscribed and fully paid up Equity shares of ₹ 2.00 each with voting rights	80,697,136	1,613.94	80,697,136	1,613.94
	80,697,136	1,613.94	80,697,136	1,613.94
<b>Total</b>		<b>1,613.94</b>		<b>1,613.94</b>

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	80,697,136	-	80,697,136
- Amount (₹ )	1,613.94	-	1,613.94
Year ended 31 March, 2014			
- Number of shares	80,697,136	-	80,697,136
- Amount (₹ )	1,613.94	-	1,613.94

- (ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Janmejy R Vyas	25,279,855	31.33	25,279,855	31.33
Mr. Arpit J. Vyas	12,563,975	15.57	12,563,975	15.57
Mrs. Deohooti J Vyas	10,964,500	13.59	10,964,500	13.59

- (iii) The Company has issued only one class of shares referred to as equity shares having a par value of ₹ 2. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets.

- (iv) The amount of per share dividend recognised as distributions to equity shareholders during the year ended March 31, 2015 is ₹ 2.00 (previous year: ₹ 1.20), subject to approval by shareholders in the ensuing annual general meeting.

# Notes (Contd.)

forming part of the financial statements

## 4 Reserves and surplus

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
(a) Securities premium account	24,755.20	24,755.20
(b) Debenture redemption reserve		
Opening balance	3,375.00	3,750.00
Less: Transfer to General reserve	(1,312.50)	(375.00)
Closing balance	2,062.50	3,375.00
(c) Revaluation reserve		
Opening balance	167.54	169.21
Less: Utilised for set off against depreciation	-	(1.67)
Closing balance	167.54	167.54
(d) General reserve		
Opening balance	38,463.80	36,588.80
Add: Transferred from Debenture redemption reserve	1,312.50	375.00
Add: Transferred from surplus in Statement of Profit and Loss	1,500.00	1,500.00
Closing balance	41,276.30	38,463.80
(e) Foreign Currency Monetary Item Translation Difference		
Opening Balance	(521.26)	(143.27)
Add:	(76.17)	640.73
Less:	(216.69)	1,018.72
Closing balance	(380.74)	(521.26)
(f) Surplus in Statement of Profit and Loss		
Opening balance	11,853.28	5,807.56
Add: Profit for the year	5,847.83	8,678.66
Add/(Less) : Adjustment of depreciation upon revision of useful life of tangible assets (110.69)		-
Less: Dividend		
Dividends proposed to be distributed to equity shareholders at ₹ 2.00 per share (Previous year ₹ 1.20 per share)	1,613.94	968.37
Tax on dividend	328.56	164.57
Transferred to:		
General reserve	1,500.00	1,500.00
Closing balance	14,147.92	11,853.28
<b>Total</b>	<b>82,028.72</b>	<b>78,093.56</b>

# Notes (Contd.)

forming part of the financial statements

## 5 Long-term borrowings

Particulars		As at	₹ in Lacs
		31 March, 2015	As at 31 March, 2014
(a) Redeemable Non-Convertible Debentures			
Secured	See Note (i)	2,250.00	8,250.00
		<u>2,250.00</u>	<u>8,250.00</u>
(b) Term loans			
From banks			
Secured	See Note (ii)	17,402.82	9,803.56
		-	-
		<u>17,402.82</u>	<u>9,803.56</u>
(c) From other parties			
Secured	See Note (iii)	3,605.77	4,837.27
Unsecured	See Note (iii)	975.87	967.46
		<u>4,581.64</u>	<u>5,804.73</u>
(d) Long-term maturities of Hire purchase obligations			
Secured	See Note (iv)	61.76	115.76
		<u>61.76</u>	<u>115.76</u>
<b>Total</b>		<b><u>24,296.22</u></b>	<b><u>23,974.05</u></b>

Particulars	Terms of repayment and security	As at	₹ in Lacs
		31 March, 2015	As at 31 March, 2014
<b>Note (i)</b>			
10.35% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures –First Tranch issued in February, 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 10.35% p.a. and are redeemable @ 20% each in the 4th and 5th year and 30% each in the 6th and 7th year from the date of allotment.	2,250.00	4,500.00
9.65% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures-Second Tranch issued in June 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 9.65% p.a. and are redeemable @ 50% each in the 4th and 5th year from the date of allotment.	-	3,750.00
		<u>2,250.00</u>	<u>8,250.00</u>

# Notes (Contd.)

forming part of the financial statements

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (ii)</b>			
Bank of Maharashtra	The Term Loan is secured by first pari-passu charge on the whole of immovable and movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Instalment of ₹ 105.00 Lacs starting from September, 2013 ending on June, 2019.	1,345.00	1,765.00
Exim Bank	The Term Loan is secured by first pari-passu charge on the fixed assets of the Company located at Bavla and the second pari-passu charge on the current assets of the Company. Repayable in instalment of ₹ 250.00 lacs every quarter starting from February, 2014 ending on August, 2017.	1,500.00	2,500.00
Development Bank of Singapore	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in quarterly equal instalments of ₹ 351.56 lacs starting from May 2012 ending on May, 2015.	-	336.88
Indiabulls Housing Finance	The Term Loan is secured by Charge on Dishman House besides Hira Rupa hall, Bopal, Ahmedabad. Structured Monthly Payment ending on April, 2019	1,420.52	1,768.55
State bank of India	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and Naroda and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Installment of ₹ 93.75 lacs ending on March, 2018.	750.00	1,125.00
Corporation Bank	The Term Loan is Secured by first pari-passu charge on the fixed assets of the company's fixed assets including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and Naroda and second pari-passu charge on current assets of the company, Repayments Quarterly instalment of ₹ 62.50 Lacs ending on March, 2018	500.00	750.00
Bank of Baroda	The Term Loan is secured by First Pari-passu charge on company's immovable and movable fixed assets at Bavla unit and second charge on SEZ land of M/s Dishman Infrastructure Ltd and Corporate Guarantee of M/s Dishman Infrastructure Ltd, repayable in 24 quarterly instalment starting from June 2015 in ballooning fashion and ending on March, 2020.	6,874.80	-
Bank of Baroda	The Term Loan is Secured by first pari-passu charge on the fixed assets of the company including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and second pari-passu charge on current assets of the company, Repayment in quarterly instalments of ₹ 97.50 Lacs ending on March, 2017	390.00	780.00

# Notes (Contd.)

forming part of the financial statements

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (ii) cont.</b>			
Societe Generale Bank	First pari-passu charge on company's immovable and movable fixed assets at Bavla unit, and second pari-passu charge on the entire current assets of the both present and future, repayable in 19 quarterly instalment starting from February, 2015 in ballooning fashion and ending on September 2019.	4,000.00	-
Bank of India	The Term Loan is Secured by first pari-passu charge on the fixed assets of the company's fixed assets including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and Naroda and second pari-passu charge on current assets of the company, Quarterly instalment of ₹ 51.88 Lacs ending on March, 2019	622.50	778.13
		<b>17,402.82</b>	<b>9,803.56</b>

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (iii)</b>			
International Finance Corporation	The Term Loan is secured by first pari-passu charge on the whole movable and immovable assets of the Company both present and future located at Bavla and all future movable fixed assets acquired from loan proceed and the second pari-passu charge on the current assets of the Company both present and future. Repayable in half yearly equal instalments of ₹ 721.15 lacs starting from May, 2012 and ending on May, 2018.	3,605.77	4,837.27
Life Insurance Corporation of India	Unsecured loans availed on the Keyman insurance policies of the key personnel of the Company	975.87	967.46
		<b>4,581.64</b>	<b>5,804.73</b>

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (iv)</b>			
ICICI Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	34.66	105.16
HDFC Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	27.10	10.60
		61.76	115.76
	<b>Total</b>	<b>24,296.22</b>	<b>23,974.05</b>

(iv) For the maturities of long term borrowings refer note No. 10.a. Other current liabilities.

# Notes (Contd.)

forming part of the financial statements

## 6 Other long-term liabilities

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
Others :		
- Payables on purchase of fixed assets	-	2,372.38
<b>Total</b>	<b>-</b>	<b>2,372.38</b>

## 7 Long-term provisions

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
Provision for employee benefits:		
(i) Provision for compensated absences	173.60	112.49
(ii) Provision for gratuity (net) (Refer Note 27.14)	509.09	370.20
<b>Total</b>	<b>682.69</b>	<b>482.69</b>

## 8 Short-term borrowings

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
(a) Loans repayable on demand		
From banks		
Secured	15,806.74	12,230.56
Unsecured	2,586.86	1,559.52
	18,393.60	13,790.08
(b) Short Term Loans from Banks		
Secured	2,030.40	1,498.00
Unsecured	-	10.40
	2,030.40	1,508.40
(c) Short Term Loans from Directors		
Unsecured	-	73.33
	-	73.33
(d) Short Term Loans from Others		
Unsecured	5,835.00	2,300.00
	5,835.00	2,300.00
<b>Total</b>	<b>26,259.00</b>	<b>17,671.81</b>

# Notes (Contd.)

forming part of the financial statements

## Notes:

### (i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
Corporation Bank	Hypothecation of Inventories, collateral security of book debts, first charge on Company's fixed asset at Naroda DTA plant located at Plot No. 1216/12, 1216/20 to 23, Phase IV, and Plot No. 67, Phase I, GIDC Estate, Naroda, Ahmedabad	2,893.66	2,305.12
Bank of Baroda		3,690.33	2,727.13
Bank of India		2,543.02	3,316.43
State Bank of India		4,173.25	3,881.88
Dena Bank	unit and second charge on fixed asset at Bavla.	2,506.48	-
Society Generale bank	Unsecured	2,586.86	1,458.24
HDFC Bank	Unsecured	-	101.28
<b>Total</b>		<b>18,393.60</b>	<b>13,790.08</b>

#### Short Term Loans from Banks

Standard Chartered Bank	First Charge on Company's fixed asset at Naroda EOU plant situated at Plot No. 1216/24 to 1216/27 and 1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad.	1,492.90	1,498.00
Corporation Bank	OD Against FD	500.00	-
Dena Bank	OD Against FD	37.50	-
Axis Bank	Unsecured	-	10.40
<b>Total</b>		<b>2,030.40</b>	<b>1,508.40</b>

### (ii) Details of short-term borrowings guaranteed by a director:

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
Loans repayable on demand from banks	55.00	156.28
Short Term Loans from others	3,000.00	165.00

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
<b>9 Trade payables:</b>		
Other than Acceptances	9,958.96	8,362.52
<b>Total</b>	<b>9,958.96</b>	<b>8,362.52</b>

# Notes (Contd.)

forming part of the financial statements

## 10 Other current liabilities

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Current maturities of long-term debt - Note (i)	12,477.41	10,862.17
(b) Interest accrued but not due on borrowings	265.11	306.89
(c) Unpaid dividends	7.68	6.40
(d) Capital Creditors	152.29	863.74
(e) Other payables		
(i) Statutory remittances	136.94	267.90
(ii) Advances from customers	658.67	1,601.34
(iii) Provision for Directors Remuneration	164.47	276.06
(iv) Employee related provisions	502.76	455.52
(v) Others	178.74	235.04
<b>Total</b>	<b>14,544.07</b>	<b>14,875.06</b>

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (i):- Term loans</b>			
-From banks			
Indus Ind Bank	The Term Loan is secured by first pari-passu charge on fixed assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Instalment of ₹ 295.62 lacs ending on April 2014.	-	44.12
Secured Loans from others	Refer Notes (i), (ii), (iii) and (iv) in Note 5 - Long-term borrowings for details of security and guarantee.	12,477.41	10,818.05
<b>Total</b>		<b>12,477.41</b>	<b>10,862.17</b>

## 11 Short-term provisions

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for compensated absences	23.21	9.19
(ii) Provision for gratuity (net) (Refer Note 27.14)	57.25	35.72
	80.46	44.91
(b) Provision - Others:		
(i) Provision for tax	1,085.97	1,998.75
(ii) Provision for proposed equity dividend	1,613.94	968.37
(iii) Provision for tax on proposed dividends	328.56	164.58
	3,028.47	3,131.70
<b>Total</b>	<b>3,108.93</b>	<b>3,176.61</b>



# Notes (Contd.)

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Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Balance As at 1st April 2014	Additions	Deductions	Balance As at 31st March 2015	Depreciation Expense for the year April 2014 to April 2015	Eliminated on disposal of assets	Adjustment against retained earnings	Balance As at 31st March 2015	Balance As at 31st April 2014
(a) Land									
Freehold	243.07	-	-	243.07	-	-	-	243.07	243.07
Leasehold	10,778.10	-	-	10,778.10	-	-	-	10,778.10	10,778.10
(b) Buildings	11,442.16	68.03	-	11,510.19	377.71	-	-	2,344.09	9,166.10
(c) Plant and Equipment	57,544.72	4,056.00	11.50	61,589.22	2,947.66	10.68	-	19,681.78	41,907.44
(d) Furniture and Fixtures	1,037.37	14.65	-	1,052.02	150.79	-	30.65	686.78	365.24
(e) Vehicles	1,044.48	84.76	76.98	1,052.26	127.52	50.46	12.87	608.42	443.84
(f) Office equipment & Computer & Printers	912.96	18.53	-	931.49	39.38	-	83.21	857.77	73.72
(g) Electric Installations	6,418.61	41.98	-	6,460.59	473.46	-	42.54	2,016.26	4,444.33
(h) Laboratory Equipments	3,298.49	196.98	-	3,495.47	134.50	-	-	1,617.50	1,877.97
<b>Total Tangible Assets (A)</b>	<b>92,719.96</b>	<b>4,480.93</b>	<b>88.48</b>	<b>97,112.41</b>	<b>4,251.02</b>	<b>61.14</b>	<b>169.27</b>	<b>27,812.60</b>	<b>69,299.81</b>
<b>B. Intangible assets</b>									
(a) Computer software	416.10	-	-	416.10	63.95	-	-	383.39	32.71
(b) Copyrights, patents and other intellectual property rights, services and operating rights	1,090.46	29.48	-	1,119.94	98.27	-	-	1,090.70	29.24
<b>Total Intangible (B)</b>	<b>1,506.56</b>	<b>29.48</b>	<b>-</b>	<b>1,536.04</b>	<b>162.22</b>	<b>-</b>	<b>-</b>	<b>1,474.09</b>	<b>61.95</b>
<b>Total Fixed Assets (A+B)</b>	<b>94,226.52</b>	<b>4,510.41</b>	<b>88.48</b>	<b>98,648.45</b>	<b>4,413.24</b>	<b>61.14</b>	<b>169.27</b>	<b>29,286.69</b>	<b>69,361.76</b>
<b>Previous year</b>	<b>88,613.88</b>	<b>5,675.28</b>	<b>62.65</b>	<b>94,226.51</b>	<b>4,415.14</b>	<b>9.03</b>	<b>-</b>	<b>24,765.31</b>	<b>69,461.20</b>

# Notes (Contd.)

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## 13 Non-current investments

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No. of Shares		No. of Shares	
	Quoted	Unquoted	Quoted	Unquoted
		Total		Total
		₹ in Lacs		₹ in Lacs
Investments (At cost):				
A Other investments				
(a) Investment in equity instruments				
(i) of subsidiaries				
Dishman Europe Ltd (Face Value of GBP 1/- each fully paid up)	159,000	105.47	159,000	105.47
Dishman Australasia Pty Ltd (Face Value of AUD 1/- each fully paid up)	100,000	38.05	100,000	38.05
Dishman International Trade (Shanghai) Co.(No. of Shares not specified)	1	87.86	1	87.86
Dishman USA Ltd. (Face value of US\$ 1/- each fully paid up)	300,000	136.20	300,000	136.20
Dishman Switzerland Ltd. (Face value of CHF 1/- each fully paid up)	1,030,000	357.30	1,030,000	357.30
Dishman Pharma Solutions Ltd (Face value of CHF 1/- each fully paid up)	28,000,000	10,507.50	28,000,000	10,507.50
CARBOGIN AMCIS (Shanghai) Co. Ltd (No. of shares not specified)	6,509.94	1	4,169.54	
Dishman Japan Ltd (Face value of JPY 50,000/- each fully paid up)	2,992	625.14	2,536	506.37
Dishman Middle East FZE (Face value of AED 9,50,000/- each fully paid up)	1	114.92	1	114.92
Dishman Care Ltd. (Face value of ₹ 10/- each fully paid up)	50,000	5.00	50,000	5.00
Cabogen-Amcis India Limited (Face value of ₹ 10/- each fully paid up)	50,000	5.00	50,000	5.00
(ii) of associates				
Bhadr Raj Holding Pvt Ltd (Face value of ₹ 10/- each fully paid up)	4,000	0.40	4,000	0.40
(iii) of joint venture companies				
Dishman Arabia Ltd (Face value of SAR 1000/- each fully paid up)	-	-	1,250	147.74
Schutz Dishman Biotech Limited (Face value of ₹ 10/- each fully paid up)	334,980	33.50	334,980	33.50
(iv) of other entities				
CAD Middle East Pharmaceuticals Ind LLC (Face value of SAR 1000/- each fully paid up)	21,900	2,481.07	21,900	2,481.07
Nutan Nagrik Sahkari Bank Limited (Face value of ₹ 25/- each fully paid up)	-	-	6,244	1.57
Dishman Infrastructure Ltd. (Face value of ₹ 10/- each fully paid up)	50,000	5.00	50,000	5.00
B R Laboratories Pvt Ltd (Face value of ₹ 10/- each fully paid up)	130	0.01	130	0.01
Nami Trading Co-FZE LLC (Face value of AED 1000/- each fully paid up)	15	2.18	15	2.18
Stuti(Ambawadi) Owners' Association (Face value of ₹ 100/- each fully paid up)	30	0.03	30	0.03

# Notes (Contd.)

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Bank of India (Face value of ₹ 10/- each fully paid up)	2,100	-	0.95	2,100	-	0.95
Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (Face value of ₹ 50/- each fully paid up)		50	0.03		50	0.03
			<b>21,015.55</b>			<b>18,705.69</b>
<b>Total Investments</b>			<b>21,015.55</b>			<b>18,705.69</b>
Aggregate amount of quoted investments			0.95			0.95
Aggregate market value of listed and quoted investments			4.11			4.81
Aggregate amount of unquoted investments			21,014.60			18,704.74

**Note (i)** The Company has pledged its 28,000,000 (Twenty Eight Millions) equity shares of Dishman Pharma Solutions AG, Switzerland with ICICI Bank UK-Plc, Frankfurt Branch as security against loan availed by its subsidiary company, Dishman pharma Solutions, AG.

## 14 Long-term loans and advances

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Capital advances		
Unsecured, considered good	7,942.78	7,089.98
Doubtful	310.36	1,120.53
	8,253.14	8,210.51
Less: Provision for doubtful advances	310.36	1,120.53
	7,942.78	7,089.98
(b) Security deposits		
Unsecured, considered good	346.19	345.12
	346.19	345.12
(c) Loans and advances to related parties		
Unsecured, considered good	10,481.09	11,610.25
	10,481.09	11,610.25
(d) Long Term Prepaid Expenses	109.69	-
(e) MAT credit entitlement - Unsecured, considered good	1,564.51	2,612.70
(f) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	1,677.40	1,458.68
(ii) Advance Income Tax	1,642.50	1,122.86
<b>Total</b>	<b>23,764.16</b>	<b>24,239.59</b>

# Notes (Contd.)

forming part of the financial statements

## 15 Other non-current assets

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
Others		
(i) Insurance claims	121.50	121.50
Lees : Provisions for Doubtful Advances	121.50	121.50
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## 16 Inventories

(At lower of cost and net realisable value)

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Raw materials and Packing Materials	6,279.78	4,683.46
Goods-in-transit	279.61	434.25
	6,559.39	5,117.71
(b) Work-in-progress	8,555.93	6,378.80
	8,555.93	6,378.80
(c) Finished goods (other than those acquired for trading)	1,576.52	1,484.42
	1,576.52	1,484.42
(d) Stores and spares	497.97	404.93
	497.97	404.93
<b>Total</b>	<b>17,189.81</b>	<b>13,385.86</b>

## 17 Trade receivables

Particulars	₹ in Lacs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured, considered good	1,603.84	430.24
Doubtful	45.88	45.88
	1,649.72	476.12
Less: Provision for doubtful trade receivables	45.88	45.88
	1,603.84	430.24
(b) Other Trade receivables		
Unsecured, considered good	8,160.94	6,511.96
	8,160.94	6,511.96
<b>Total</b>	<b>9,764.78</b>	<b>6,942.20</b>

# Notes (Contd.)

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## 18 Cash and cash equivalents

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
(a) Cash on hand	5.35	4.11
(b) Balances with banks		
(i) In current accounts	1,048.42	546.11
(ii) In EEFC accounts	21.70	119.79
(iii) In earmarked accounts		
- Unpaid dividend accounts	7.64	6.37
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	1,179.08	449.28
<b>Total</b>	<b>2,262.19</b>	<b>1,125.66</b>

Note - (i) : Balances with banks includes margin monies amounting to ₹ 464.23 lacs (As at 31 March, 2014 ₹ 399.56 lacs) which have an original maturity of more than 12 months.

## 19 Short-term loans and advances

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
(a) Security deposits		
Unsecured, considered good	20.76	16.57
	20.76	16.57
(b) Loans and advances to employees		
Unsecured, considered good	23.74	78.92
	23.74	78.92
(c) Loans and advances to Related Party		
Unsecured, considered good	875.00	875.00
	875.00	875.00
(d) Prepaid expenses - Unsecured, considered good	226.36	308.89
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	760.88	353.73
(ii) Service Tax credit receivable	1,052.93	673.99
(f) Other Loans & Advances		
Unsecured, considered good	18,490.91	17,668.38
Doubtful	15.00	62.50
	18,505.91	17,730.88
Less: Provision for other doubtful loans and advances	15.00	62.50
	18,490.91	17,668.38
<b>Total</b>	<b>21,450.58</b>	<b>19,975.48</b>

# Notes (Contd.)

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## 20 Other current assets

Particulars	As at	₹ in Lacs
	31 March, 2015	As at 31 March, 2014
Others		
(a) Interest Receivable	926.16	859.57
(b) Guarantee Commission Receivable	954.93	-
(c) Receivable against liquidation of shares	300.16	-
<b>Total</b>	<b>2,181.25</b>	<b>859.57</b>

## 21 Revenue from operations

Particulars	For the	₹ in Lacs
	year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Sale of products (Refer Note (i) below)	40,714.00	42,935.51
(b) Sale of services (Refer Note (ii) below)	7,509.40	4,808.86
(c) Other operating revenues (Refer Note (iii) below)	124.12	128.85
	48,347.52	47,873.22
Less:		
(d) Excise duty & VAT	478.21	545.10
<b>Total</b>	<b>47,869.31</b>	<b>47,328.12</b>

### Note

(i) Sale of manufactured goods	37,925.82	42,189.10
Sale of traded goods	2,788.18	746.41
<b>Total</b>	<b>40,714.00</b>	<b>42,935.51</b>
(ii) Sale of services comprises :		
Sales Commission	1,162.53	3,698.79
Export Services	6,346.87	1,110.07
<b>Total</b>	<b>7,509.40</b>	<b>4,808.86</b>
(iii) Other operating revenues comprise:		
Sale of scrap	5.15	8.11
Duty Drawback income	23.65	45.01
DEPB Income	-	(0.38)
Others	3.80	4.89
Income from Travel Business	91.52	71.22
<b>Total</b>	<b>124.12</b>	<b>128.85</b>

# Notes (Contd.)

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## 22 Revenue from operations

Particulars	For the year ended 31 March, 2015	₹ in Lacs For the year ended 31 March, 2014
(a) Interest income (Refer Note (i) below)	1,911.83	2,165.05
(b) Dividend income from long term investment	2,074.59	3,118.70
(c) Net gain on sale of: long-term investments	152.41	-
(d) Excess Provision Written back	960.76	140.41
(e) Net gain on foreign currency transactions and translation (other than considered as finance cost)	645.25	166.35
(f) Net gain on sale of: Sale of Assets	-	7.05
(g) Guarantee Commission Received	954.93	-
<b>Total</b>	<b>6,699.77</b>	<b>5,597.56</b>

### Note

(i) Interest income comprises:		
Interest from banks on:		
deposits	102.35	83.19
Interest on loans and advances		
subsidiaries	979.47	1,013.59
others	829.92	1,067.99
Other interest	0.09	0.28
<b>Total</b>	<b>1,911.83</b>	<b>2,165.05</b>

## 23.a Cost of materials consumed

Particulars	For the year ended 31 March, 2015	₹ in Lacs For the year ended 31 March, 2014
Opening stock	5,117.71	5,319.20
Add: Purchases	21,064.50	17,695.72
	26,182.21	23,014.92
Less: Closing stock	6,559.39	5,117.71
<b>Cost of material consumed</b>	<b>19,622.82</b>	<b>17,897.21</b>

# Notes (Contd.)

forming part of the financial statements

## 23.b Purchase of stock in trade (Traded Goods)

Particulars	For the year ended <u>31 March, 2015</u>	₹ in Lacs For the year ended <u>31 March, 2014</u>
Purchase of stock in trade (Traded Goods)	2,586.93	516.09
<b>Total</b>	<b>2,586.93</b>	<b>516.09</b>

## 23.c Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended <u>31 March, 2015</u>	₹ in Lacs For the year ended <u>31 March, 2014</u>
Inventories at the end of the year:		
Finished goods	1,576.52	1,484.42
Work-in-progress	8,555.93	6,378.80
	<u>10,132.45</u>	<u>7,863.22</u>
Inventories at the beginning of the year:		
Finished goods	1,484.42	1,964.03
Work-in-progress	6,378.80	5,050.52
	<u>7,863.22</u>	<u>7,014.55</u>
<b>Net (increase) / decrease</b>	<b>(2,269.23)</b>	<b>(848.67)</b>

## 24 Employee benefits expense

Particulars	For the year ended <u>31 March, 2015</u>	₹ in Lacs For the year ended <u>31 March, 2014</u>
(a) Salaries and wages	5,572.88	5,600.79
(b) Contributions to provident and other funds	151.23	129.45
(c) Staff welfare expenses	163.81	107.59
<b>Total</b>	<b>5,887.92</b>	<b>5,837.83</b>

## 25 Finance costs

Particulars	For the year ended <u>31 March, 2015</u>	₹ in Lacs For the year ended <u>31 March, 2014</u>
(a) Interest expense on:		
- Borrowings	6,021.56	4,826.81
(b) Other borrowing costs	791.72	501.16
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	1,593.55
<b>Total</b>	<b>6,813.28</b>	<b>6,921.52</b>



# Notes (Contd.)

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## 26 Other expenses

Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Consumption of stores and spare parts	49.78	42.41
Excise duty	(1.75)	7.37
Other Manufacturing Expenses	362.06	338.46
Power and fuel	3,166.98	2,608.77
Research and Development Expenses	49.27	43.90
Laboratory Expenses	305.82	212.06
ETP Expenses	215.22	128.60
Rent including lease rentals	72.76	96.30
Repairs and maintenance - Buildings	185.71	78.35
Repairs and maintenance - Machinery	439.24	598.77
Repairs and maintenance - Others	162.36	149.11
Insurance	155.16	168.63
Communication	53.19	44.83
Travelling and conveyance	452.08	356.56
Printing and stationery	65.40	75.67
Freight and forwarding	730.59	675.95
Sales commission	82.34	40.69
Business promotion	5.15	3.95
Donations and contributions / CSR expenses	102.83	1.94
Legal and professional	175.79	184.05
Payments to auditors (Refer Note (i) below)	17.50	17.66
Bad trade and other receivables, loans and advances written off	11.64	0.39
Membership & Subscription	73.81	62.62
ECGC Premium	37.69	41.54
Office Electricity	30.95	22.78
Recruitment Expenses	5.88	11.96
Loss on fixed assets sold / scrapped / written off	7.77	-
Provision for doubtful trade and other receivables, loans and advances (net)	-	200.00
Prior period items (net) (Refer Note (ii) below)	8.23	10.05
Miscellaneous expenses	108.08	81.22
<b>Total</b>	<b>7,131.53</b>	<b>6,304.59</b>

### Note :

Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	16.00	15.60
For other services	-	1.95
Reimbursement of expenses	-	0.11
For tax audit	1.50	-
<b>Total</b>	<b>17.50</b>	<b>17.66</b>
(ii) Details of Prior period items (net)		
Document & Processing Charges	0.00	9.72
Freight Inward	1.42	0.22
Other Expenses	1.97	0.11
Legal & Professional fees	2.20	0.00
Manufacturing expenses	2.64	0.00
<b>Total</b>	<b>8.23</b>	<b>10.05</b>

# Notes (Contd.)

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## Note 27 Additional information to the financial statements

### Note

27.01	Contingent liabilities and commitments (to the extent not provided for) Particulars	As at	₹ in Lacs
		31 March, 2015	As at 31 March, 2014
(i)	Contingent liabilities :		
a)	Claims against the Company not acknowledged as debt	11.22	4.51
b)	Guarantees		
	(i) Outstanding guarantees furnished to the bank in respect of wholly owned subsidiaries and a joint venture companies	14,375.03	21,905.81
	(ii) Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	12,031.79	13,505.73
c)	Disputed central excise duty (including service tax) liability	441.04	433.94
d)	Disputed income tax liability for various assessment years for which appeals are pending with Appellate authorities, out of the said amount, the Company has paid ₹ 1190.98 Lacs (Previous Year ₹ 747.24 Lacs) under protest.	6,308.98	6,027.22
e)	Disputed sales tax and central sales tax liability	559.56	559.56
f)	Bills discounted with banks	3,870.25	6,177.56
(ii)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	895.78	581.82

### 27.02 Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently, the amount paid/payable to these parties during the period is ₹ Nil.

### 27.03 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	₹ in Lacs	
		Amount outstanding as at 31 March, 2015	Maximum balance outstanding during the year
Dishman Australasia Pty Ltd.	Subsidiary	95.06 (166.45)	166.45 (283.25)
CARBOGEN AMCIS (Shanghai) Co. Limited (formerly known as Dishman Pharmaceuticals & Chemicals (Shanghai) Co. Limited)	Subsidiary	5,905.66 (7,169.36)	7,370.69 (7,169.36)
Dishman Pharma Solutions AG	Subsidiary	- (-)	- (1,228.23)
Dishman Care Ltd.	Subsidiary	1,297.83 (1,276.17)	1,297.83 (1,284.33)
Carbogen Amcis India Ltd.	Subsidiary	1,025.83 (941.12)	1,025.83 (955.75)
Dishman Infrastructure Ltd.	Entity in which Director is Interested	4,214.99 (3,758.70)	4,214.99 (3,800.00)

Note: Figures in bracket relate to the previous year.

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## 27.04 Details on derivatives instruments and unhedged foreign currency exposures

(i) The following derivative positions are open as at 31 March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and interest rate and have not been designated as hedging instruments.

"Interest rate swaps to hedge against fluctuations in interest rate changes: As at 31 March, 2015 ₹ 351.56 lacs (As at 31 March, 2014: ₹ 1684.41 lacs )""

(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		₹ in Lacs			
		As at 31 March, 2015		As at 31 March, 2014	
		Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
			AUD 2.04		AUD 3.05
			EUR 23.96		EUR 23.19
	16416.12 INR		USD 236.32	12877.51 INR	USD 180.22
			NZD 0.03		NZD 0.03
			CHF (25.52)		CHF (63.20)
			EUR (95.37)		EUR (36.95)
	(19317.94) INR		GBP (0.002)	(17680.04) INR	GBP - Nil
			JPY (7.59)		JPY (4.29)
			USD (180.45)		USD (175.99)
<b>27.05</b>	<b>Value of imports calculated on CIF basis :</b>				₹ in Lacs
	<b>Particulars</b>			<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
	Raw materials			8,702.14	8,617.41
	Capital goods			204.22	37.95
	Component and Spare Parts			0.00	30.89
<b>27.06</b>	<b>Expenditure in foreign currency :</b>				₹ in Lacs
	<b>Particulars</b>			<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
	Subscription Membership Fees			72.61	47.12
	Sales Commission			32.03	33.26
	Foreign Travelling			7.99	2.91
	Bank interest & Charges			127.75	77.44
	Interest on Foreign Currency Loans			590.18	690.90
	Other Expenses			3.78	4.61
	<b>Total</b>			<b>834.35</b>	<b>856.24</b>
<b>27.07</b>	<b>Details of consumption of imported and indigenous items :</b>				₹ in Lacs
	<b>Particulars</b>	<b>Imported</b>		<b>Indigenous</b>	
	Raw materials	9,838.57	50.14%	9,784.25	49.86%
		(10,071.24)	(56.28%)	(7,824.68)	(43.72%)
	Spare parts	0.00	0.00%	49.78	(100.00%)
		0.00	(0.00%)	(42.41)	(100.00%)
	<b>Total</b>	<b>9,838.57</b>		<b>9,834.03</b>	
		<b>(10,071.24)</b>		<b>(7,867.09)</b>	

Note: Figures in brackets relates to the previous year

# Notes (Contd.)

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<b>27.08</b>	<b>Earnings in foreign exchange : Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
			<b>₹ in Lacs</b>
			<b>₹ in Lacs</b>
	Export of Goods on FOB	35,975.04	38,546.57
	Contract Research Services	6,343.98	1,110.07
<b>27.09</b>	<b>Earnings per share Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
	Basic & Diluted		
	Net profit for the year attributable to the equity shareholders (₹ in Lacs)	5,847.83	8,678.97
	Weighted average number of equity shares	80,697,136	80,697,136
	Nominal Value of equity share (In ₹)	2.00	2.00
	Earnings per share - Basic and Diluted (In ₹)	7.25	10.75
<b>27.10</b>	<b>Deferrde tax (liability) / asset Particulars</b>	<b>As at 31 March, 2015</b>	<b>₹ in Lacs As at 31 March, 2014</b>
	(A) Tax effect of items constituting deferred tax liability On difference between book balance and tax balance of fixed assets	7,304.13	6,727.17
	Tax effect of items constituting deferred tax liability	7,304.13	6,727.17
	(B) Tax effect of items constituting deferred tax assets Provision for doubtful debts / advances	170.53	431.53
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	300.64	1,237.22
	Tax effect of items constituting deferred tax assets	471.17	1,668.75
	<b>Net deferred tax liability (A) - (B)</b>	<b>6,832.96</b>	<b>5,058.42</b>
<b>27.11 (i)</b>	<b>Details of research and development expenditure recognised as revenue expense Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
	Annual Maintenance	4.06	3.35
	Consumables	45.35	17.03
	Conveyance	15.16	13.99
	Laboratory Expenses	102.58	255.96
	Others	13.91	2.01
	Power & Fuel	181.31	129.71
	Repair & maintenance	28.12	5.68
	Raw Material Consumption	150.01	35.38
	Salary & Wages	971.68	832.74
	Subscription Expenses	68.40	54.46
	<b>Total</b>	<b>1,580.58</b>	<b>1,350.31</b>

# Notes (Contd.)

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## (ii) Details of research and development expenditure recognised as capital expenses

₹ in Lacs

Asset Class	Gross Value as at 1 April, 2014	Addition/Adjustment/ Deletion During the year	Gross Value as at 31st March, 2015
Buildings	1,368.10	-	1,368.10
Plant & Machinery	1,372.22	-	1,372.22
Laboratory Equipments	1,401.01	-	1,401.01
Electric Installations	193.11	-	193.11
Furniture & Fixtures	151.86	-	151.86
Office Equipments and Computers	10.80	-	10.80
<b>Total Tangible Assets (A)</b>	<b>4,497.10</b>	<b>-</b>	<b>4,497.10</b>
Intangible Assets	513.26	10.51	523.77
Capital Works in Progress	11.55	(10.51)	1.05
<b>Total of Intangible Assets and Capital Works in Progress (B)</b>	<b>524.81</b>	<b>-</b>	<b>524.81</b>
<b>Total Capital Expenditure (A + B)</b>	<b>5,021.91</b>	<b>-</b>	<b>5,021.91</b>

### 27.12 Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire instalments payable at the Balance sheet date are as under

Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
For a period not later than 1 year	99.05	71.24
For a period later than 1 year but not later than 5 years.	61.69	115.76
For a period later than 5 years	-	-

Hire charges recognized in the statement of profit and loss is Rs 15.68 Lacs (Previous Year ₹ 22.16 Lacs)

### 27.13 Segment information

- (A) The Company is in the business of manufacturing and marketing of :
- A. Contract Research & Contract Manufacturing (CRAMS).  
B. Bulk Drugs, Intermediates, Quats ,Specialty Chemicals and traded goods
- (B) Segment revenue of the above business segment includes sales export incentive and income from Research and Development activities.  
Segment revenue in geographical segment considered for disclosure is as follows:
- A. Domestic Sales  
B. Export Sales
- (i) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management and reconciliation of reportable segments with financial statements.

Particulars	₹ in Lacs			Total
	CRAMS	Bulk Drugs, Quats, Speciality Chemicals and traded goods	Unallocated/Others	
Revenue from Operations	29,832.25	18,037.06	-	47,869.31
	(28,278.54)	(19,049.58)	(-)	(47,328.12)
Other Income	2,074.59	4,625.18	-	6,699.77
	(3,118.70)	(2,478.86)	(-)	(5,597.56)
Total Revenue	31,906.85	22,662.24	0.00	54,569.08
	(31,397.24)	(21,528.44)	(-)	(52,929.68)
Results	12,705.11	4,490.76	(6,813.28)	10,382.59
	(12,506.18)	(6,298.97)	(-6,921.51)	(11,883.64)
Assets	78,293.38	57,707.35	33,324.76	169,325.49
	(74,799.75)	(54,217.12)	(25,541.32)	(154,558.19)
Liability	8,876.54	1,796.25	8,775.46	19,448.24
	(12,409.50)	(3,741.77)	(6,191.36)	(22,342.63)

Note: Figures in bracket relates to the previous year

# Notes (Contd.)

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(ii) Particulars	₹ in Lacs		
	Domestic	Export	Total
Revenue	12,773.02	41,796.06	54,569.08
	(12,080.35)	(40,845.33)	(52,925.68)
Total Assets	169,325.49	(-)	169,325.49
	(154,558.19)	(-)	(154,558.19)

Note: Figures in bracket relates to the previous year

## (iii) The previous year figures have been regrouped / re-classified to confirm to the current year's classification.

### 27.14 Employee benefit plans

#### a) Defined Benefit Plans

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit & Loss.

ii) The Company has an obligation towards gratuity, a defined benefit obligation. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance(if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

I. Expenses recognized during the year Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Current service cost	47.97	43.97
Interest Cost	35.31	31.68
Expected return on plan assets	-	-
Net actuarial losses (gains)	146.44	(5.21)
<b>Total</b>	<b>229.72</b>	<b>70.44</b>

II. Reconciliation of opening and closing balances of defined benefit obligation Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Defined benefit obligation at beginning of the year	405.92	446.68
Service cost	47.97	43.97
Interest cost	35.31	31.68
Actuarial losses (gains)	146.44	(5.21)
Benefits paid	(69.31)	(111.20)
Defined benefit obligation at end of the year	566.34	405.92

III. Reconciliation of Opening and Closing balances of fair value of plan assets Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Fair value of plan assets at beginning of the year	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.
Actuarial gains and (losses)	N.A.	N.A.
Contributions by employer	N.A.	N.A.
Benefits paid	N.A.	N.A.
Fair value of plan assets at year end	N.A.	N.A.

IV. Reconciliation of the present value of defined benefit obligation and fair value of planned assets: Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Present value of defined benefit obligations at the end of the year	566.34	405.92
Fair value of plan assets at the end of the year	-	-
Net assets / (liability) at the end of year	(566.34)	(405.92)

# Notes (Contd.)

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## V. Actuarial Assumptions

Particulars	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.80%	9.10%
Expected Return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6%	6%
Withdrawal rates	3 % at younger age reducing to 1 % at older age	3 % at younger age reducing to 1 % at older age
Retirement age	60 years	60 years

i. The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

ii. Expected Rate of Return of Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

iii. Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

## VI. Experience History

Particulars	₹ in Lacs				
	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
Present value of defined benefit obligations at the end of the year	566.34	405.92	446.68	408.40	395.89
Fair value of plan assets at the end of the year	-	-	0.49	1.52	0.54
Net liability at the end of year	566.34	405.92	446.19	406.88	395.35

## b) Defined Contribution Plans.

Particulars	₹ in Lacs	
	2014-15	2013-14
Employer's Contribution to Provident Fund	126.39	90.27
Employers' Contribution to Superannuation Fund	24.84	30.24

# Notes (Contd.)

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## 27.15 Related party transactions

a) Details of related parties:

Description of relationship	Name of the related party
Subsidiary	Dishman USA Inc.
Subsidiary	Dishman Europe Ltd.
Subsidiary	Dishman International Trading (Shanghai) Co. Ltd.
Subsidiary	Dishman Switzerland Ltd.
Subsidiary	CARBOGEN AMCIS (Shanghai) Co. Ltd. "[formerly known as Dishman Pharmaceuticals & Chemicals (Shanghai) Co. Ltd.]
Subsidiary	Dishman Pharma Solutions AG
Subsidiary	Dishman Australasia Pty Ltd.
Subsidiary	CARBOGEN AMCIS Ltd., U.K.
Subsidiary	Carbogen Amcis (India) Ltd.
Subsidiary	Dishman Care Ltd.
Subsidiary	Dishman Middle East FZE
Subsidiary	Dishman Japan Ltd.*
Step Down Subsidiary	CARBOGEN AMCIS AG
Step Down Subsidiary	Cohecie Fine Chemicals B.V.
Step Down Subsidiary	Dishman Netherlands B.V.
Step Down Subsidiary	Innovative Ozone Service Inc.
Step Down Subsidiary	CARBOGEN AMCIS SAS
Step Down Subsidiary	Shanghai Yiqian International Trade Co. Ltd.
Joint venture	Dishman Arabia Ltd.**
Joint venture	Schutz Dishman Biotech Ltd.
Associates	Bhadra Raj Holding Pvt. Ltd.
Key Management Personnel (KMP)	Mr. Janmejay R.Vyas
Key Management Personnel (KMP)	Mrs. Dehooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Relative of Key Management Personnel	Ms. Aditi J Vyas
Relative of Key Management Personnel	Ms. Mansi J Vyas
Key Management Personnel is Karta	Mr. J. R.Vyas HUF
Entity in which KMP can exercise significant influence	B. R. Laboratories Ltd.
Entity in which KMP can exercise significant influence	Azafran Innovacion Ltd.
Entity in which KMP can exercise significant influence	Leon Hospitality Pvt. Ltd.
Entity in which KMP can exercise significant influence	Dishman Infrastructure Ltd.
Entity in which KMP can exercise significant influence	Adiman Technologies Pvt. Ltd.
Entity in which KMP can exercise significant influence	Adiman Ventures - Partnership Firm
Entity in which KMP can exercise significant influence	Sharvil Associates - Partnership Firm
Entity in which KMP can exercise significant influence	Healthy Foundation - Charitable Trust
Entity in which Relatives of KMP can exercise significant influence	Discus IT Pvt. Ltd.

Note : Related parties have been identified by the management.

\* became wholly owned subsidiary w.e.f. 10-12-2014, \*\* Liquidated w.e.f. 05-01-2015



# Notes (Contd.)

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b) Details of related party transactions for the year ended on 31st March, 2015 and balances outstanding as at 31st March, 2015:

Particulars	Associates/ Joint Ventures						Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	₹ in Lacs Total
	Subsidiaries	Step Down Subsidiaries	Subsidiaries	Joint Ventures	KMP	Relatives of KMP			
Purchase of goods	35.07 (-)	- (19.36)	- (18.57)	20.06 (-)	- (-)	- (-)	148.40 (51.48)	203.53 (89.41)	
Sale of goods/services	29,574.15 (31,130.57)	7,540.81 (3,185.62)	1,196.98 (2,170.51)	- (-)	- (-)	- (-)	0.13 (0.12)	38,312.07 (36,486.82)	
Rendering of services	- (-)	4.05 (-)	- (-)	- (-)	- (-)	- (-)	46.99 (-)	51.04 (-)	
Receiving of services	5.44 (-)	- (-)	- (-)	7.13 (6.66)	6.48 (6.06)	24.18 (-)	43.23 (12.72)		
Investment	2,459.17 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,459.17 (-)	
Sale of Long Term Investments	- (-)	- (-)	147.74 (-)	- (-)	- (-)	- (-)	- (-)	147.74 (-)	
Interest Income	524.69 (608.27)	- (-)	- (-)	- (-)	- (-)	- (-)	454.78 (405.32)	979.47 (1,013.59)	
Dividend Income	2,074.40 (3,118.13)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,074.40 (3,118.13)	
Loan & Advances Given	201.33 (188.20)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	201.33 (188.20)	
Repayment Loans & Advances Given	2,387.17 (211.14)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,387.17 (211.14)	
Loans & Advances Received	- (-)	- (-)	- (-)	1,176.07 (290.00)	- (20)	- (-)	- (-)	1,176.07 (310.00)	
Repayment Loans & Advances Received	- (-)	- (-)	- (-)	1,342.88 (391.66)	20 (-)	- (-)	- (-)	1,362.88 (391.66)	
Guarantees and collaterals given during the period	- (346.20)	- (160.70)	- (-)	- (-)	- (-)	- (-)	- (-)	- (506.90)	
Guarantees and collaterals withdrawn during the period	5,689.12 (-)	1,841.66 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7,530.78 (-)	
Remuneration	- (-)	- (-)	- (-)	710.44 (840.90)	32.85 (35.45)	- (-)	- (-)	743.29 (876.35)	
Guarantee Commission Income	596.43 (-)	171.01 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	767.43 (-)	
Dividend Paid	- (-)	- (-)	7.20 (7.20)	558.36 (584.95)	1.68 (1.68)	- (-)	- (-)	567.25 (593.83)	

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Particulars	Subsidiaries	Step Down Subsidiaries	Associates/		Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	₹ in Lacs Total
			Joint Ventures	KMP			
Balances outstanding at the end of the year							
Trade receivables	8,498.01 (11,248.33)	3,282.86 (201.16)	- (221.58)	- (-)	- (-)	0.03 (0.08)	11,780.91 (11,671.15)
Guarantees and collaterals	10,664.31 (16,353.43)	3,710.72 (5,552.38)	- (-)	- (-)	- (-)	- (-)	14,375.03 (21,905.81)
Loans and advances	8,434.55 (9,553.10)	- (-)	- (-)	(177.14) (-329.4)	- (-)	4,214.99 (3,758.70)	12,472.41 (12,982.40)
Trade payables	44.40 (2,372.38)	188.76 (1,053.29)	2.79 (30.74)	- (-)	- (-)	16.52 (-4.74)	252.47 (3,451.67)

Note: Figures in bracket relates to the previous year

## (c) Disclosure in respect of material transactions with related parties

Particulars	Name of the related party	2014-15	2013-14
Purchase of goods	Schutz Dishman Biotech Ltd.	20.06	17.74
	Azafran Innovacion Ltd.	148.40	45.02
	Cohecie Fine Chemicals B.V.	0.00	19.36
	B. R. Laboratories Ltd.	0.00	6.46
Sale of goods / Export of services	Dishman Europe Ltd.	21,843.63	23,285.91
	CARBOGEN AMCIS AG	7,195.46	2,359.69
	Dishman USA Inc.	7,068.29	7,093.63
	Cohecie Fine Chemicals B.V.	342.16	798.63
	Dishman Austriasia Pty Ltd.	421.12	332.55
	CARBOGEN AMCIS Ltd., UK	58.82	120.01
	Dishman International Trading (Shanghai) Co. Ltd.	176.78	298.48
	Dishman Japan Ltd.	1,120.32	2,064.21
	Schutz Dishman Biotech Ltd.	82.17	106.30
	Dishman Netherlands B.V.	0.00	26.36
Investment	CARBOGEN AMCIS (Shanghai) Co. Ltd.	2,340.40	0.00
	Dishman Japan Ltd.	118.77	0.00
Sales of Long Term Investment	Dishman Arebia Ltd.	147.74	0.00
Interest Income	Carbogen Amcis (India) Ltd.	94.11	94.86
	Dishman Care Ltd.	24.07	22.84
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	406.51	490.57
	Dishman Infrastructure Ltd.	454.78	405.32
Guarantee Commission Income	Dishman Netherlands B.V.	171.01	0.00
	Dishman Pharma Solutions AG	335.31	0.00
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	261.11	0.00
Dividend Income	Dishman Pharma Solutions AG	2,074.40	3,118.13
Loans and advances given	CARBOGEN AMCIS (Shanghai) Co. Ltd.	201.33	188.20
Repayment of loans and advances given	Carbogen Amcis (India) Ltd.	0	100.00
	Dishman Netherlands B.V.	0	111.14
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	2,340.40	0.00
	Dishman Austriasia Pty. Ltd.	46.77	0.00

# Notes (Contd.)

forming part of the financial statements

Loans and advances recieved	Mr. Janmejy R.Vyas	1,090.07	260.00
	Mrs. Deohooti J.Vyas	71.00	0.00
	Mr. Arpit J.Vyas	15.00	30.00
Repayment of loans and advances received	Mr. Janmejy R.Vyas	1,223.93	362.99
	Mrs. Deohooti J.Vyas	71.00	0.00
	Mr. Arpit J.Vyas	47.95	0.00
Guarantees and Collatorals given during the period	Dishman Europe Ltd.	0.00	346.20
	Dishman Netherlands B.V.	0.00	160.70
Guarantees and collaterals withdrawn during the period	Dishman Europe Ltd.	143.60	0.00
	Dishman Netherlands B.V.	1,841.66	0.00
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	950.47	0.00
	Dishman Pharma Solutions AG	4,595.05	0.00
Dividends paid	Bhadra Raj Holding Pvt. Ltd.	7.20	7.20
	Mr. Janmejy R.Vyas	276.02	305.06
	Mrs. Deohooti J.Vyas	131.57	131.57
	Mr. Arpit J.Vyas	150.77	148.32
Remuneration	Mr. Janmejy R.Vyas	482.44	609.90
	Mrs. Deohooti J.Vyas	120.00	120.00
	Mr. Arpit J.Vyas	108.00	111.00

## Name of companies and country of incorporation

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31st March, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Schutz Dishman Biotech Ltd., India	22.33% (22.33%)	320.87 (387.27)	178.02 (137.58)	161.24 (405.48)	266.87 (355.18)	(-) (-)	(-) (-)
Dishman Arabia Ltd., Saudi Arabia**	0.00% (50.00%)	- (995.68)	- (50.29)	- (-)	- (-)	(-) (-)	(-) (-)
Dishman Japan Ltd., Japan*	NA (85.00%)	NA (321.29)	NA (468.76)	NA (2,868.35)	NA (2,832.84)	NA (-)	NA (-)

Note:- Figures in brackets relate to the previous year.

\*became wholly owned subsidiary w.e.f. 10-12-2014, \*\*Liquidated w.e.f. 05-01-2015

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejy R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015

# Auditors' Report on Consolidated Financial Statements

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED ("the Company"), its subsidiaries, associate and jointly controlled entities (the Company, its subsidiaries, associate and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Company's 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 Group in accordance with the 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.

## Auditors' 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associate and jointly controlled entities referred to below in the Other Matter paragraph, the aforesaid 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 Group as at 31st March, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Emphasis of matter

As regards recognition of employee pension fund liability in the company's Swiss subsidiary, CARBOGEN AMCIS AG, the statutory auditors of the subsidiary have classified the contribution to the pension fund as a defined contribution plan and hence not found it necessary to make provision for such liability. Further as the pension fund has insured the said liability with an insurance company, no provision has been made in the books of the subsidiary. Considering the contribution to the pension fund as a defined contribution plan, the company has complied with the requirements of AS-15.

## Other Matter

We did not audit the financial informations of subsidiaries, associate and jointly controlled entities, whose financial informations reflect total assets of ₹ 1,45,546.29 lacs, as at 31st March, 2015, total revenues of ₹ 1,55,287.93 lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statement have been audited by other auditors whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditor.

The consolidated financial statements includes the financial information a jointly controlled entity which have not been audited by their auditors, whose financial information reflect total assets of ₹ 381.63 lacs as at 31st March, 2015 and total revenue of ₹ Nil as considered in the consolidated financial statements. This financial information have been certified by the Management of the Company and, our report on the consolidated financial statement, in so far as it relates to the amounts included in respect of this entity, is based solely on such certified financial information. Any adjustment to this financial information could have consequential effects on the attached consolidated financial statement. However, the size of this entity in the context of the Group is not material. Our report is not qualified in respect of these matters.

**For V. D. Shukla & Co.**  
Chartered Accountants  
FRN: 110240W

**Vimal D. Shukla**  
Proprietor

Place : Ahmedabad  
Date : 22nd August, 2015

Membership No.: 036416

# Consolidated Balance Sheet

as at 31st March, 2015

Particulars	Note	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,613.94	1,613.94
(b) Reserves and surplus	4	122,164.56	116,106.54
		123,778.50	117,720.48
<b>2 Share application money pending allotment</b>		-	405.16
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	33,018.83	41,208.43
(b) Deferred tax liabilities (Net)	27.6	6,286.89	6,769.04
(c) Other long-term liabilities	6	-	7.35
(d) Long-term provisions	7	7,330.76	6,374.96
		46,636.48	54,359.78
<b>4 Current liabilities</b>			
(a) Short-term borrowings	8	40,682.40	37,866.26
(b) Trade payables	9	15,143.54	8,422.91
(c) Other current liabilities	10	47,519.00	37,556.28
(d) Short-term provisions	11	7,133.65	6,437.78
		110,478.59	90,283.23
<b>TOTAL</b>		<b>280,893.57</b>	<b>262,768.65</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12.A	118,446.82	125,777.30
(ii) Intangible assets	12.B	24,417.15	23,509.69
(iii) Capital work-in-progress		14,181.34	7,885.36
		157,045.31	157,172.35
(b) Goodwill on Consolidation		1,229.34	1,229.54
(c) Non-current investments	13	2,494.52	2,491.23
(d) Long-term loans and advances	14	18,712.81	19,297.96
(e) Other non-current assets	15	59.02	124.11
		22,495.69	23,142.84
<b>2 Current assets</b>			
(a) Current Investment		1,320.00	-
(b) Inventories	16	44,826.04	42,325.54
(c) Trade receivables	17	21,710.59	14,396.53
(d) Cash and cash equivalents	18	3,620.10	3,529.00
(e) Short-term loans and advances	19	28,974.90	21,837.38
(f) Other current assets	20	900.94	365.01
		101,352.57	82,453.46
<b>TOTAL</b>		<b>280,893.57</b>	<b>262,768.65</b>

See accompanying notes forming part of the financial statements 1 to 27

In terms of our report attached.

**For V. D. Shukla & Co.**

Chartered Accountants

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

**Janmejay R. Vyas**

Chairman & Managing Director

**Deohooti J. Vyas**

Whole Time Director

**Vimal D. Shukla**

Proprietor

Membership No.:036416

FRN: 110240W

**Arpit J. Vyas**

Managing Director & CFO

**Tushar D. Shah**

Company Secretary

Place : Ahmedabad

Date : 22-August-2015

Place : Ahmedabad

Date : 22-August-2015

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015

Particulars	Note	₹ in Lacs	
		For the year ended 31 March, 2015	For the year ended 31 March, 2014
1 Revenue from operations (gross)	21	158,241.74	139,079.93
Less: Excise duty		722.97	547.93
Net Revenue from operations		157,518.77	138,532.00
2 Other income	22	8,604.49	2,491.30
<b>3 Total revenue (1+2)</b>		<b>166,123.26</b>	<b>141,023.30</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	23.a	55,172.33	39,594.34
(b) Purchases of stock-in-trade (traded goods)	23.b	2,586.93	516.09
(c) Changes in inventories of finished goods and work-in-progress	23.c	(4,259.00)	(2,775.74)
(d) Employee benefits expense	24	42,320.84	41,233.36
(e) Finance costs	25	8,970.84	9,205.37
(f) Depreciation and amortization expense	12	15,071.11	10,856.23
(g) Other expenses	26	30,335.50	26,753.41
<b>Total expenses</b>		<b>150,198.55</b>	<b>125,383.06</b>
<b>5 Profit before tax (3-4)</b>		<b>15,924.71</b>	<b>15,640.24</b>
<b>6 Tax expense:</b>			
(a) Current tax expense		3,386.39	4,112.11
(b) (Less) :- Short Provision of current tax of previous year		(346.19)	-
(c) (Less) :- MAT credit		355.80	345.87
(d) Net current tax expense		<b>4,088.38</b>	<b>3,766.24</b>
(e) Deferred tax		(144.57)	946.76
Net Tax expense		<b>3,943.81</b>	<b>4,713.00</b>
<b>7 Profit for the year (5 - 6)</b>		<b>11,980.90</b>	<b>10,927.24</b>
<b>8 Earnings per share (of ₹ 2.00/- each):</b>			
(a) Basic	27.5	14.85	13.54
(b) Diluted	27.5	14.85	13.54

See accompanying notes forming part of the financial statements 1 to 27

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejay R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015

# Consolidated Cash Flow Statement

for the year ended 31st March, 2015

Particulars	₹ in Lacs	
	2014-15	2013-14
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>15,924.71</b>	<b>15,640.24</b>
Adjustment for :		
Depreciation and Amortization	15,071.11	10,856.23
Loss / (Gain) on foreign exchange fluctuations	140.54	(830.17)
Interest Expenses	8,970.84	9,205.37
Interest Income	(1,715.28)	(2,016.08)
Guarantee Commission Income	(187.50)	-
Sundry Balance Written off (Net)	(1,038.87)	(471.51)
Loss/ (Gain) on sale of Investments	(152.41)	-
Loss /(Gain) on Sale of Fixed Assets (Net)	124.69	23.26
Provision for doubtful debts and advances	-	200.00
Foreign Currency Translation Difference	(3,989.41)	5,225.54
	<u>17,223.71</u>	<u>22,192.64</u>
<b>Operating Profit before Working capital Changes</b>	<b>33,148.42</b>	<b>37,832.88</b>
Adjustment for (Increase) / Decrease in Working Capital :		
Trade Receivables	(7,173.52)	(1,768.19)
Inventories	(2,500.50)	(8,498.57)
Loans and Advances	(8,071.69)	1,849.09
Trade Payables and Provisions	18,122.47	8,075.08
	<u>376.76</u>	<u>(342.59)</u>
Cash Generated From Operations	33,525.18	37,490.29
Net income tax (paid) / refunds	(4,945.65)	(3,040.06)
<b>Net Cash flow From Operating Activities</b>	<b>28,579.53</b>	<b>34,450.23</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(15,542.89)	(29,920.04)
Sale of Fixed Assets	473.85	1,078.36
Investments made	(1,475.71)	-
Share Application Money	-	500.00
Share Application Money Pending Allotment	405.16	37.04
Dividend Received	187.50	471.51
Loans and Advances Given to Related parties (Net)	-	201.78
Interest Received	1,715.28	2,016.08
Balance Held as Margin Money	(729.92)	(64.54)
<b>Net Cash used in Investing Activities</b>	<b>(14,966.73)</b>	<b>(25,679.81)</b>

# Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2015

Particulars	₹ in Lacs	
	2014-15	2013-14
<b>C. Cash Flow from Financing Activities :</b>		
Repayment of long term borrowing	(6,963.98)	(8,939.73)
Proceeds from long term borrowing	-	12,959.64
Proceeds/ (Repayment) from Short Term Loans	2,816.14	(1,370.83)
Interest Paid	(8,970.84)	(8,929.78)
Dividend Paid	(968.37)	(968.37)
Dividend Tax Paid	(164.57)	(157.09)
<b>Net Cash used in Financing Activities</b>	<b>(14,251.62)</b>	<b>(7,406.16)</b>
<b>Net changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(638.82)</b>	<b>1,364.27</b>
Cash and Cash Equivalents as at 1st April (Opening Balance)	3,078.08	1,713.82
Cash and Cash Equivalents as at 31st March (Closing Balance)	2,439.26	3,078.08
<u>Reconciliation of Cash and Cash Equivalents with the balance sheet</u>		
Cash and cash equivalent (Note No. 18)	3,620.10	3,529.00
Balance held as margin money	1,180.84	450.92
Cash and cash equivalent (As per cash flow statement)	2,439.26	3,078.08

## Notes:-

- The cash flow statement has been prepared under the 'Indirect method' set out in Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006
- Previous year's figures have been regrouped wherever necessary, to confirm to this year's classifications.

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejay R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015



# Notes

forming part of the consolidated financial statements

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- 1 The Consolidated Financials Statements relate to Dishman Pharmaceutical and Chemicals Limited ("the Company") and its various subsidiary companies, an associate and joint ventures as stated in 27.1. The consolidated financial statements have been prepared on the following basis:
- a) In respect of the subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra- group balances and unrealized profit/losses on intra-group transactions as per Accounting Standard- AS 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
  - b) Investments in associates have been accounted under equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
  - c) Investments in joint ventures have been accounted under proportionate consolidation method as per Accounting Standard 27 – Financial reporting of Interests in Joint ventures issued by the Institute of Chartered Accountants of India.
  - d) The difference between the costs of investment in the subsidiary companies, over the net assets at the time of acquisition of shares in the subsidiary companies is recognized in the financial statements as goodwill or capital reserve as the case may be.
  - e) The Company classifies its foreign operations considering the way in which they are financed and operate in relation to the Company. Consequently, translation of the financial statements of such non integral foreign operations is effected as under :-
    - a) Income and expenses are translated at the average exchange rates prevailing during the year.
    - b) All assets and liabilities, both monetary and non-monetary, are translated at the exchange rate prevalent at the date of the balance sheet.
    - c) The resulting net exchange differences are recognized as foreign currency translation reserve as part of Reserves and Surplus.
- In case of other subsidiaries, which are integral in nature to the company's operations, the translation of financial statements is effected as under:
- a) Income and expenses are translated at the average exchange rates prevailing during the year.
  - b) Monetary items at the year end are restated at the year end rates. Non-monetary foreign currency items are carried at cost.
  - c) The resulting net exchange differences are recognized in the statement of profit and loss.
- f) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
  - g) The financial statements of the subsidiary companies, associates and joint ventures used in consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2015, except for certain subsidiaries and a joint venture company (as indicated by # in Note 27.1 ) for which financial statements as on reporting date are not available. These have been consolidated based on the last available financial statements, which are till December 31, 2014.
- 2 **Other Significant Accounting Policies**
- a) These are set out under "Significant Accounting Policies" as given in the standalone financial statements of the Company.

# Notes (Contd.)

forming part of the consolidated financial statements

3	Share capital Particulars	As at 31 March, 2015		As at 31 March, 2014	
		Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a)	Authorised Equity shares of ₹ 2.00 each with voting rights	100,000,000	2,000.00	100,000,000	2,000.00
		100,000,000	2,000.00	100,000,000	2,000.00
(b)	Issued Subscribed and fully paid up Equity shares of ₹ 2.00 each with voting rights	80,697,136	1,613.94	80,697,136	1,613.94
		80,697,136	1,613.94	80,697,136	1,613.94
	<b>Total</b>		<b>1,613.94</b>		<b>1,613.94</b>
4	Reserves and surplus Particulars	As at 31 March, 2015		₹ in Lacs As at 31 March, 2014	
(a)	Securities premium account Balance as per last Balance Sheet Closing balance		24,755.20		24,755.20
			24,755.20		24,755.20
(b)	Debenture redemption reserve Opening balance Less : Utilised / transfer to general reserve during the year Closing balance		3,375.00		3,750.00
			(1,312.50)		(375.00)
			2,062.50		3,375.00
(c)	Revaluation reserve Opening balance Add/(Less) : Utilised for set off against depreciation Closing balance		532.54		534.21
			(0.38)		1.67
			532.92		532.54
(d)	General reserve Opening balance Add: Transferred from Debenture redemption reserve Add: Transferred from surplus in Statement of Profit and Loss Closing balance		33,956.87		32,081.87
			1,312.50		375.00
			1,500.00		1,500.00
			36,769.37		33,956.87
(e)	Foreign Currency Monetary Item Translation Difference Opening balance Add(Less): Effect of foreign exchange rate variation during the year Add/(Less): Amortisation for the year Closing balance		(521.29)		(143.30)
			140.54		390.61
			-		(768.60)
			(380.75)		(521.29)
(f)	Foreign currency translation reserve Opening balance Add/(Less): Effect of foreign exchange rate variations during the year Closing balance		11,894.04		6,668.46
			(3,989.41)		5,225.58
			7,904.63		11,894.04
(g)	Surplus in Statement of Profit and Loss Opening balance Add: Profit for the year Less: Adjustment of depreciation upon revision of useful life of tangible assets Less: Dividend Dividends proposed to be distributed to equity shareholders ₹ 2.00 per share (Previous year ₹ 1.20 per share) Tax on dividend Transferred to: General reserve Closing balance		42,114.18		33,819.88
			11,980.90		10,927.24
			(131.89)		-
			1,613.94		968.37
			328.56		164.57
			1,500.00		1,500.00
			50,520.69		42,114.18
	<b>Total</b>		<b>122,164.56</b>		<b>116,106.54</b>

# Notes

forming part of the consolidated financial statements

## 5 Long-term borrowings

Particulars		As at	₹ in Lacs
		31 March, 2015	As at 31 March, 2014
(a) Redeemable Non-Convertible Debentures			
Secured	See Note (i)	2,250.00	8,250.00
		<u>2,250.00</u>	<u>8,250.00</u>
(b) Term loans			
(i) From banks			
Secured	See Note (ii)	23,260.77	23,810.37
		<u>23,260.77</u>	<u>23,810.37</u>
(ii) From other parties			
Secured	See Note (iii)	3,605.77	4,837.27
Unsecured	See Note (iii)	3,840.52	4,195.02
		<u>7,446.29</u>	<u>9,032.29</u>
(c) Long-term maturities of Hire purchase obligations			
Secured	See Note (iv)	61.77	115.77
		<u>61.77</u>	<u>115.77</u>
<b>Total</b>		<b><u>33,018.83</u></b>	<b><u>41,208.43</u></b>

Particulars	Terms of repayment and security	As at	₹ in Lacs
		31 March, 2015	As at 31 March, 2014
<b>Note (i)</b>			
10.35% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures –First Tranch issued in February, 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 10.35% p.a. and are redeemable @ 20% each in the 4th and 5th year and 30% each in the 6th and 7th year from the date of allotment.	2,250.00	4,500.00
9.65% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures-Second Tranch issued in June 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 9.65% p.a. and are redeemable @ 50% each in the 4th and 5th year from the date of allotment.	-	3,750.00
		<u>2,250.00</u>	<u>8,250.00</u>

# Notes (Contd.)

forming part of the consolidated financial statements

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (ii)</b>			
Indus ind Bank	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Installment of ₹ 295.62 lacs ending on April, 2014.	-	-
Bank of Maharashtra	The Term Loan is secured by first pari-passu charge on the whole immovable and movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Instalment of ₹ 105.00 Lacs starting from September, 2013 ending on June, 2019.	1,345.00	1,765.00
Exim Bank	The Term Loan is secured by first pari-passu charge on the fixed assets of the Company located at Bavla and the second pari-passu charge on the current assets of the Company. Repayable in instalment of ₹ 250.00 lacs every quarter starting from February, 2014 ending on August, 2017.	1,500.00	2,500.00
Corporation Bank	The Term Loan is Secured by first pari-passu charge on the fixed assets of the company's fixed assets including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and Naroda and second pari-passu charge on current assets of the company, Repayments Quarterly instalment of ₹ 62.50 Lacs ending on March, 2018	500.00	750.00
State bank of India	The Term Loan is Secured by first pari-passu charge on the company's fixed assets including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and Naroda and second pari-passu charge on current assets of the company, repayable in quarterly instalment of ₹ 93.75 Lacs ending on March, 2018	750.00	1,125.00
Development Bank of Singapore	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in quarterly equal instalments of ₹ 351.56 lacs starting from May 2012 ending on May, 2015.	-	336.88
Indiabulls Housing Finance	The Term Loan is secured by Charge on Dishman House besides Hira Rupa hall, Bopal, Ahmedabad. Structured Monthly Payment ending on April, 2019	1,420.52	1,768.55
Bank of India	The Term Loan is Secured by first pari-passu charge on the fixed assets of the company's fixed assets including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and Naroda and second pari-passu charge on current assets of the company, Quarterly instalment of ₹ 51.88 Lacs ending on March, 2019	622.50	778.13

# Notes

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Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (ii)</b>			
Bank of Baroda	The Term Loan is Secured by first pari-passu charge on the fixed assets of the company including mortgage over land & building and hypothecation of Plant & Machinery located at Bavla and second pari-passu charge on current assets of the company, Repayment in quarterly instalments of ₹ 97.50 Lacs ending on March, 2017	390.00	780.00
Bank of Baroda	The Term Loan is secured by First Pari-passu charge on company's immovable and movable fixed assets at Bavla unit and second charge on SEZ land of Dishman Infrastructure Ltd and Corporate Guarantee of Dishman Infrastructure Ltd, repayable in 24 quarterly instalment starting from June 2015 in ballooning fashion and ending on March, 2020.	6,874.80	-
Societe Generale Bank	First pari-passu charge on company's immovable and movable fixed assets at Bavla unit, and second pari-passu charge on the entire current assets of the both present and future, repayable in 19 quarterly instalment starting from February, 2015 in ballooning fashion and ending on September 2019.	4,000.00	-
ICICI Bank UK, Plc , Frankfurt Branch	The Term Loan is secured against pledged of 28,000,000 (Twenty Eight Millions) equity shares of Dishman Pharma Solutions AG, Switzerland with ICICI Bank UK, Plc, Frankfurt Branch as security against loan availed by its subsidiary company, Dishman Pharma Solutions,AG. The term loan is repayable in equal quarterly installments of ₹ 1214.54 lacs starting from July, 2012 ending on June, 2016.	1,635.48	6,841.13
Royal Bank of Scotland	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Property, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV.The Term loan is repayable in equal quarterly installments of ₹ 167.66 lacs ending on October, 2017	1,173.59	2,267.72
Royal Bank of Scotland	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Property, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV.The Term loan is repayable in equal monthly installments of ₹ 11.18 lacs ending on February, 2029.	1732.38	2,295.11
State Bank of India, Shanghai	The Term Loan is secured by Mortgage of Land ,Building and Machinery of CARBOGEN AMCIS (Shanghai) Co Ltd.. The Term loan is repayable in quarterly equal installments of ₹ 356.90 lacs starting from January, 2013 and ending on January, 2016.	1,316.50	2,602.85
		<b>23,260.77</b>	<b>23,810.37</b>

# Notes (Contd.)

forming part of the consolidated financial statements

Particulars	Terms of repayment and security	₹ in Lacs	
		As at 31 March, 2015	As at 31 March, 2014
<b>Note (iii)</b>			
International Finance Corporation	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in half yearly equal installments of ₹ 721.15 lacs starting from May, 2012 and ending on May, 2018.	3,605.77	4,837.27
Life Insurance Corporation of India	Unsecured loans. Availed on the Keyman insurance policies of the key personnel of the Company	975.88	967.46
From Others	Unsecured	2,864.64	3,227.56
		<u>7,446.29</u>	<u>9,032.29</u>
			₹ in Lacs
Particulars	Terms of repayment and security	As at 31 March, 2015	As at 31 March, 2014
<b>Note (iv)</b>			
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	34.66	105.17
HDFC Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	27.11	10.60
		<u>61.77</u>	<u>115.77</u>
<b>Total</b>		<b>33,018.83</b>	<b>41,208.43</b>
(iv)	For the current maturities of long-term borrowings, refer item (i) (a) in Note 10 Other current liabilities.		
<b>6 Other long-term liabilities</b>			₹ in Lacs
Particulars		As at 31 March, 2015	As at 31 March, 2014
Others :			
Payables on purchase of fixed assets		-	7.35
<b>Total</b>		<u>-</u>	<u>7.35</u>
<b>7 Long-term provisions</b>			₹ in Lacs
Particulars		As at 31 March, 2015	As at 31 March, 2014
Provision for employee benefits:			
(i) Provision for compensated absences		180.47	112.49
(ii) Provision for gratuity (net)		2,129.40	6,262.47
		<u>2,309.87</u>	<u>6,374.96</u>
Asset retirement obligation		5,020.89	-
<b>Total</b>		<b>7,330.76</b>	<b>6,374.96</b>

# Notes

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<b>8 Short-term borrowings</b>		<b>₹ in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>	
(a) Loans repayable on demand			
From banks			
Secured	28,962.84	30,920.75	
Unsecured	2,976.48	3,063.77	
	<u>31,939.32</u>	<u>33,984.52</u>	
(b) Short Term Loans from Banks			
Secured	2,886.37	1,498.00	
Unsecured	-	10.40	
	<u>2,886.37</u>	<u>1,508.40</u>	
(c) Short Term Loans from Directors			
Unsecured	-	73.34	
	<u>-</u>	<u>73.34</u>	
(d) Short Term Loans from Others			
Unsecured	5,856.71	2,300.00	
	<u>5,856.71</u>	<u>2,300.00</u>	
<b>Total</b>	<b><u>40,682.40</u></b>	<b><u>37,866.26</u></b>	
<b>8 (i) Details of security for the secured short-term borrowings :</b>		<b>₹ in Lacs</b>	
<b>Particulars</b>	<b>Terms of repayment and security</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
<u>Loans repayable on demand from banks:</u>			
Corporation Bank	Hypothecation of Inventories, collateral security of book debts, first charge on	4,478.58	3,754.16
Bank of Baroda	Company's fixed asset at Naroda DTA	4,544.71	3,842.05
Bank of India	plant located at Plot No. 1216/12, 1216/	3,060.12	4,011.09
State Bank of India	20 to 23, Phase IV, and Plot No. 67, Phase	4,778.63	5,391.82
Dena Bank	I, GIDC Estate, Naroda, Ahmedabad unit	2,506.48	-
	and second charge on fixed asset at		
	Bavla.		
Society Generale bank	Unsecured	2,976.48	2,962.49
HDFC Bank	Unsecured	-	101.28
ABN Amro	Mortgage of all Land and Buildings and	1,092.80	4,030.22
	Investment Property, pledge on all		
	Inventories, pledge on trade		
	receivables, pledge on plant &		
	equipments of Dishman Netherlands BV		
Credit Suisse Bank	Hypothecation of Inventories, collateral	7,175.89	8,631.18
	security of book debts, Negative Pledge		
	of fixed assets of CARBOGEN AMCIS AG.		
Bank of China	Hypothecation of Inventories, Collateral	1,325.63	1,260.23
	security of book debts, first charge on		
	Company's fixed asset at CARBOGEN		
	AMCIS (Shanghai co ltd)		
<b>Total</b>		<b><u>31,939.32</u></b>	<b><u>33,984.52</u></b>

# Notes (Contd.)

forming part of the consolidated financial statements

<b>Short Term Loans from Banks</b>			
Standard Chartered Bank	First Charge on Company's fixed asset at Naroda EOU plant situated at Plot No. 1216/24 to 1216/27 and 1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad.	1,593.74	1,498.00
Corporation Bank	OD against FD	500.00	-
Dena Bank	OD against FD	37.50	-
Axis bank -OD Account	Unsecured	-	10.40
Bank of America (USA)	Unsecured	755.13	-
<b>Total</b>		<b>2,886.37</b>	<b>1,508.40</b>
<b>(ii) Details of short-term borrowings guaranteed by a director:</b>			
<b>Particulars</b>		<b>As at 31 March, 2015</b>	<b>₹ in Lacs As at 31 March, 2014</b>
Loans repayable on demand from banks		55.00	156.28
Short Term Loans from others		3,000.00	165.00
<b>9 Trade payables</b>			<b>₹ in Lacs</b>
<b>Particulars</b>		<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
Other than Acceptances		15,143.54	8,422.91
<b>Total</b>		<b>15,143.54</b>	<b>8,422.91</b>
<b>10 Other current liabilities</b>			<b>₹ in Lacs</b>
<b>Particulars</b>		<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
(a) Current maturities of long-term debt Note (i)		19,567.87	18,342.24
(b) Interest accrued but not due on borrowings		691.60	947.72
(c) Interest accrued and due on borrowings		-	83.05
(d) Unpaid dividends		7.68	6.40
(e) Capital creditor		152.29	863.74
(f) Other payables			
(i) Statutory remittances		2,265.99	1,581.44
(ii) Advances from customers		11,541.84	8,719.46
(iii) Provision for Directors Remuneration		164.47	276.06
(iv) Employee related provisions		2,642.76	1,719.11
(v) Others		10,484.50	5,017.06
<b>Total</b>		<b>47,519.00</b>	<b>37,556.28</b>



# Notes

forming part of the consolidated financial statements

<b>10 (i)</b>		<b>As at</b>	<b>₹ in Lacs</b>
<b>Particulars</b>	<b>Terms of repayment and security</b>	<b>31 March, 2015</b>	<b>As at 31 March, 2014</b>
(a) Term loans			
From banks			
Secured Loans from others	Refer Notes (ii), (iii) and (iv) in Note 5 - Long-term borrowings for details of security and guarantee.	19,567.87	18,316.90
		<u>19,567.87</u>	<u>18,316.90</u>
(b) Unsecured Loans and advances from related parties (Refer Note 27.10)			25.34
		<u>-</u>	<u>25.34</u>
<b>Total</b>		<b>19,567.87</b>	<b>18,342.24</b>
<b>11 Short-term provisions</b>			<b>₹ in Lacs</b>
<b>Particulars</b>		<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
(a) Provision for employee benefits:			
(i) Provision for compensated absences		1,814.13	1,272.54
(ii) Provision for gratuity (net)		581.71	524.29
		<u>2,395.84</u>	<u>1,796.83</u>
(b) Provision - Others:			
(i) Provision for tax		2,795.31	3,508.01
(ii) Provision for proposed equity dividend		1,613.94	968.37
(iii) Provision for tax on proposed dividends		328.56	164.57
		<u>4,737.81</u>	<u>4,640.95</u>
<b>Total</b>		<b>7,133.65</b>	<b>6,437.78</b>

# Notes (Contd.)

forming part of the consolidated financial statements

	₹ in Lacs											
	Gross Block					Accumulated Depreciation					Net Block	
	Balance As at 1st April 2014	Additions	Deductions/ Adjustment	Effect of foreign currency exchange differences	Balance As at 31st March 2015	Balance As at 1st April 2014	Depreciation expense for the year	Eliminated on disposal of assets/ Adjustments	Adjustment against retained earnings	Effect of foreign currency differences	Balance As at 31st March 2015	Balance As at 31st March 2014
<b>A. Tangible assets</b>												
(a) Land												
Freehold	2,890.84	-	-	2.99	2,887.85	-	-	-	-	-	2,887.85	2,890.84
Leasehold	10,778.01	-	-	-	10,778.01	-	-	-	-	-	10,778.01	10,778.01
(b) Buildings												
Own use	37,786.96	1,062.98	-	940.84	37,909.10	8,591.65	1,800.29	-	-	351.89	10,040.05	27,869.05
(c) Plant and Equipment												
Owned	110,899.66	7,515.59	582.45	3,029.18	114,803.62	40,550.71	10,977.21	10.68	-	1,473.39	50,043.85	64,759.77
(d) Furniture and Fixtures												
Owned	2,278.05	541.57	-	124.30	2,695.32	874.40	202.12	-	31.31	17.15	1,090.68	1,604.64
(e) Vehicles												
Owned	1,240.01	119.68	76.98	5.54	1,277.17	623.18	141.90	50.46	27.20	3.61	738.21	538.96
(f) Office equipment & Computer & Printers												
Owned	3,670.22	217.35	1.84	220.61	3,665.12	2,779.21	163.68	1.60	85.43	121.79	2,904.93	760.19
(h) Electric Installations												
Owned	6,440.07	42.24	-	-	6,482.31	1,512.47	473.46	-	47.06	-	2,032.99	4,449.32
(i) Laboratory Equipments												
Owned	10,744.45	438.80	-	382.93	10,800.32	6,019.35	217.23	-	-	235.29	6,001.29	4,799.03
<b>Total Tangible Assets (A)</b>	<b>186,728.27</b>	<b>9,938.21</b>	<b>661.27</b>	<b>4,706.39</b>	<b>191,298.82</b>	<b>60,950.97</b>	<b>13,975.89</b>	<b>62.74</b>	<b>191.00</b>	<b>2,203.12</b>	<b>72,852.00</b>	<b>118,446.82</b>
<b>B. Intangible assets</b>												
(a) Goodwill	23,475.15	-	-	1,179.19	22,295.96	364.32	49.30	-	-	24.49	389.13	21,906.83
(b) Brands / trademarks	2,779.87	2,700.96	-	135.99	5,344.84	2,739.32	528.79	-	-	134.00	3,134.11	2,210.73
(c) Computer software	2,513.17	351.75	-	148.13	2,716.79	2,327.02	296.17	-	-	139.01	2,484.18	232.61
(d) Copyrights, patents and other intellectual property rights, services and operating rights	2,589.86	29.48	-	67.40	2,551.94	2,417.70	220.96	-	-	153.70	2,484.96	66.98
<b>Total Intangible (B)</b>	<b>31,358.05</b>	<b>3,082.19</b>	<b>-</b>	<b>1,530.71</b>	<b>32,909.53</b>	<b>7,848.36</b>	<b>1,095.22</b>	<b>-</b>	<b>-</b>	<b>451.20</b>	<b>8,492.38</b>	<b>24,417.15</b>
<b>Total Fixed Assets (A+B)</b>	<b>218,086.32</b>	<b>13,020.40</b>	<b>661.27</b>	<b>6,237.10</b>	<b>224,208.35</b>	<b>68,799.33</b>	<b>15,071.11</b>	<b>62.74</b>	<b>191.00</b>	<b>2,654.32</b>	<b>81,344.38</b>	<b>142,863.97</b>
<b>Previous year</b>	<b>188,451.10</b>	<b>13,827.67</b>	<b>1,335.04</b>	<b>17,441.52</b>	<b>218,085.25</b>	<b>52,352.19</b>	<b>10,857.90</b>	<b>233.42</b>	<b>-</b>	<b>5,780.59</b>	<b>68,798.26</b>	<b>149,286.99</b>

# Notes

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## 13 Non-current investments

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Total		₹ in Lacs	Total		₹ in Lacs
	No. of Shares Quoted	Unquoted		No. of Shares Quoted	Unquoted	
Investments (At cost):						
<u>Other investments</u>						
Investment in equity instruments						
(i) of associates						
Bhadr Raj Holding Pvt Ltd (Face value of ₹ 10/- each fully paid up)		4,000	5.25	4,000		0.40
(ii) of other entities						
Nutan Nagrik Sahkari Bank Limited (Face value of ₹ 25/- each fully paid up)		-	-	6,244		1.56
Dishman Infrastructure Ltd. (Face value of ₹ 10/- each fully paid up)		50,000	5.00	50,000		5.00
CAD Middle East Pharmaceuticals Ind LLC (Face value of SAR 1000/- each fully paid up )		21,900	2,481.07	21,900		2,481.07
B R Laboratories Ltd (Face value of ₹ 10/- each fully paid up)		130	0.01	130		0.01
Nami Trading Co-FZE LLC (Face value of AED 1000/- each fully paid up)		15	2.18	15		2.18
Stuti(Ambawadi) Owners' Association (Face value of ₹ 100/- each fully paid up)		30	0.03	30		0.03
Bank of India (Face value of ₹ 10/- each fully paid up)	2,100	-	0.95	2,100	-	0.95
Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (Face value of ₹ 50/- each fully paid up)		50	0.03	50		0.03
<b>Total of Non Current Investments</b>			<b>2,494.52</b>			<b>2,491.23</b>
Aggregate amount of quoted investments			0.95			0.95
Aggregate market value of listed and quoted investments			4.11			4.81
Aggregate amount of unquoted investments			<b>2,493.57</b>			<b>2,490.28</b>

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<b>14 Long-term loans and advances</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March, 2015</b>	<b>31 March, 2014</b>
(a) Capital advances		
Unsecured, considered good	8,192.72	9,082.84
Doubtful	310.36	1,120.53
	<u>8,503.08</u>	<u>10,203.37</u>
Less: Provision for doubtful advances	310.36	1,120.53
	<u>8,192.72</u>	<u>9,082.84</u>
(b) Security deposits		
Unsecured, considered good	349.33	364.82
	<u>349.33</u>	<u>364.82</u>
(c) Loans and advances to related parties		
Unsecured, considered good	3,856.99	3,393.68
	<u>3,856.99</u>	<u>3,393.68</u>
(d) Long term prepaid expenses	109.69	-
(e) MAT credit entitlement - Unsecured, considered good	1,584.44	2,633.12
(f) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	2,937.81	2,652.37
(ii) Advance income tax	1,681.83	1,171.13
<b>Total</b>	<b><u>18,712.81</u></b>	<b><u>19,297.96</u></b>
<b>15 Other non-current assets</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March, 2015</b>	<b>31 March, 2014</b>
Others		
Insurance claims	180.52	245.61
Less : Doubtful	121.50	121.50
<b>Total</b>	<b><u>59.02</u></b>	<b><u>124.11</u></b>
<b>16 Inventories</b>		<b>₹ in Lacs</b>
(At lower of cost and net realizable value)		<b>As at</b>
<b>Particulars</b>	<b>31 March, 2015</b>	<b>31 March, 2014</b>
(a) Raw materials	14,253.77	14,677.44
Goods-in-transit	279.61	434.26
	<u>14,533.38</u>	<u>15,111.70</u>
(b) Work-in-progress	18,006.98	11,222.28
	<u>18,006.98</u>	<u>11,222.28</u>
(c) Finished goods	9,710.28	12,235.98
	<u>9,710.28</u>	<u>12,235.98</u>
(d) Stores and spares	2,575.40	3,755.58
	<u>2,575.40</u>	<u>3,755.58</u>
<b>Total</b>	<b><u>44,826.04</u></b>	<b><u>42,325.54</u></b>

# Notes

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<b>17 Trade receivables</b>	<b>₹ in Lacs</b>	
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March, 2015</b>	<b>31 March, 2014</b>
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	1,603.84	1,027.20
Unsecured, considered good	45.88	388.14
Doubtful	1,649.72	1,415.34
Less: Provision for doubtful trade receivables	45.88	388.14
	1,603.84	1,027.20
Other Trade receivables		
Unsecured, considered good	20,106.75	13,369.33
	20,106.75	13,369.33
<b>Total</b>	<b>21,710.59</b>	<b>14,396.53</b>
<b>18 Cash and cash equivalents</b>	<b>₹ in Lacs</b>	
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March, 2015</b>	<b>31 March, 2014</b>
(a) Cash on hand	13.91	23.19
(b) Balances with banks		
(i) In current accounts	2,396.01	2,925.63
(ii) In EEFC accounts	21.70	122.89
(iii) In earmarked accounts		
- Unpaid dividend accounts	7.64	6.37
- Balances held as margin money or security against borrowings, guarantees and other Commitments ( Refer Note below).	1,180.84	450.92
<b>Total</b>	<b>3,620.10</b>	<b>3,529.00</b>
Note: Balances with banks include margin monies amounting to ₹ 466.38 lacs (As at 31st March, 2014 ₹ 399.56 lacs) which have an original maturity of more than 12 months.		
<b>19 Short-term loans and advances</b>	<b>₹ in Lacs</b>	
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March, 2015</b>	<b>31 March, 2014</b>
(a) Security deposits		
Unsecured, considered good	107.25	37.53
	107.25	37.53
(b) Loans and advances to employees		
Unsecured, considered good	26.89	86.82
	26.89	86.82
(c) Loans and advances to related parties	1083.18	0.00
(d) Prepaid expenses - Unsecured, considered good	5218.62	3413.56
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	1400.76	850.18
(ii) Service Tax credit receivable	1290.21	692.79
(f) Other Loans & Advances		
Unsecured, considered good	19847.99	16756.50
Doubtful	15.00	62.50
	19862.99	16819.00
Less: Provision for other doubtful loans and advances	15.00	62.50
	19847.99	16756.50
<b>Total</b>	<b>28,974.90</b>	<b>21,837.38</b>

# Notes (Contd.)

forming part of the consolidated financial statements

<b>20 Other Current Assets</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
Other Current assets		
(a) Interest Receivable	413.29	365.01
(b) Guarantee Commission Receivable	187.50	-
(c) Receivable against sale of shares	300.15	-
<b>Total</b>	<b>900.94</b>	<b>365.01</b>
<b>21 Revenue from operations</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
(a) Sale of products (Refer Note (i) below)	153,946.73	132,958.49
(b) Sale of services (Refer Note (ii) below)	2,811.23	4,913.18
(c) Other operating revenues (Refer Note (iii) below)	1,483.78	1,208.26
	158,241.74	139,079.93
Less:		
(d) Excise duty	722.97	547.93
<b>Total</b>	<b>157,518.77</b>	<b>138,532.00</b>
<b>Note</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
(i) Sale of products comprises :		
Sales of Manufactured Goods	151,158.23	132,024.05
Sale of Traded Goods	2,788.50	934.44
	153,946.73	132,958.49
(ii) Sale of services comprises :		
Sales Commission	1,162.53	3,755.34
Export Services	1,648.70	1,157.84
	2,811.23	4,913.18
(iii) Other operating revenues comprises:		
Sale of scrap	5.15	27.53
Export Incentive	23.65	44.63
Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	940.06
Others	1,363.46	124.83
Income from Travel Business	91.52	71.21
<b>Total</b>	<b>1,483.78</b>	<b>1,208.26</b>

# Notes

forming part of the consolidated financial statements

<b>22 Other income</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
(a) Interest income (Refer Note below)	1,715.28	2,016.08
(b) Guarantee Commission income	187.50	-
(c) Excess provision written-back	1,038.87	471.51
(d) "Net gain on foreign currency transactions "(other than considered as finance costs)"	1,129.78	-
(e) Insurance claim	4,375.79	-
(f) Net gain on sale of long term investment	152.41	-
(g) Share of profit from Associate	4.86	3.71
<b>Total</b>	<b>8,604.49</b>	<b>2,491.30</b>
<b>Note</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Interest income comprises:		
Interest from banks on deposits	102.34	140.31
Interest from related parties	454.78	405.32
Interest on loans and advances given to others	1,158.07	1,438.14
Other interest	0.09	32.31
<b>Total</b>	<b>1,715.28</b>	<b>2,016.08</b>
<b>23.a Cost of materials consumed</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Opening stock	15,111.70	10,992.09
Add: Purchases	54,594.01	43,713.95
	69,705.71	54,706.04
Less: Closing stock	14,533.38	15,111.70
<b>Cost of material consumed</b>	<b>55,172.33</b>	<b>39,594.34</b>
<b>23.b Purchase of stock in trade (traded goods)</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Purchase of stock in trade (traded goods)	2,586.93	516.09
<b>Total</b>	<b>2,586.93</b>	<b>516.09</b>
<b>23.c Changes in inventories of finished goods and work-in-progress</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Inventories at the end of the year:		
Finished goods	9,710.28	12,235.98
Work-in-progress	18,006.98	11,222.28
	27,717.26	23,458.26
Inventories at the beginning of the year:		
Finished goods	12,235.98	8,153.42
Work-in-progress	11,222.28	12,529.10
	23,458.26	20,682.52
<b>Net (increase)</b>	<b>(4,259.00)</b>	<b>(2,775.74)</b>

# Notes (Contd.)

forming part of the consolidated financial statements

<b>24 Employee benefits expense</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
(a) Salaries and wages	39,677.18	34,867.90
(b) Contributions to provident and other funds	1,732.92	5,643.44
(c) Staff welfare expenses	910.74	722.02
<b>Total</b>	<b>42,320.84</b>	<b>41,233.36</b>
<b>25 Finance costs</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
(a) Interest expense on borrowings	7,909.18	7,070.14
(b) Other borrowing costs	1,061.66	824.69
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	-	1,310.54
<b>Total</b>	<b>8,970.84</b>	<b>9,205.37</b>
<b>26 Other expenses</b>		<b>₹ in Lacs</b>
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Consumption of stores and spare parts	52.24	98.56
Excise duty	(1.75)	7.18
Other Manufacturing expense	403.03	376.18
Power and fuel	5,138.33	4,583.65
Research & Development Expenses	57.28	114.99
Laboratory Expenses	317.30	323.16
ETP Expenses	480.59	292.73
Rent including lease rentals	4,485.25	4,498.77
Repairs and maintenance - Buildings	1,529.84	1,295.60
Repairs and maintenance - Machinery	4,053.86	3,439.17
Repairs and maintenance - Others	1,615.71	1,111.05
Insurance	830.92	823.44
Communication	537.17	475.63
Travelling and conveyance	2,307.37	2,161.75
Printing and stationery	207.06	154.31
Freight and forwarding	2,219.05	1,938.92
Sales commission	148.52	400.07
Business promotion	1,328.46	934.18
Donations and contributions / CSR expenses	214.03	58.02
Legal and professional	2,222.59	1,585.70
Payments to auditors (Refer Note (i) below)	269.36	191.24
Membership & Subscriptions	197.65	243.12
ECGC Premium	37.93	41.83
Office Electricity	198.56	136.48
Loss on fixed assets sold / scrapped / written off	124.69	23.26
Provision for doubtful trade and other receivables, loans and advances (net)	-	200.00
Prior period items (net) (Refer Note (ii) below)	260.10	10.56
Miscellaneous expenses	1,100.36	1,233.86
<b>Total</b>	<b>30,335.50</b>	<b>26,753.41</b>



# Notes

forming part of the consolidated financial statements

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<b>Note : Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>₹ in Lacs For the year ended 31 March, 2014</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
To Statutory auditor (#include audit fees to auditor of subsidiaries, joint venture and Associate)		
For audit	267.86	189.18
For other services	-	1.95
For reimbursement of expenses	-	0.11
For tax audit	1.50	-
<b>Total</b>	<b>269.36</b>	<b>191.24</b>
(ii) Details of Prior period items (net)		
Document & Processing Charges	-	9.72
Freight Expenses	1.42	0.22
Other Expenses	253.84	0.62
Legal and Professional Charges	2.20	-
Manufacturing Expenses	2.64	-
<b>Total</b>	<b>260.10</b>	<b>10.56</b>

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# Notes (Contd.)

forming part of the consolidated financial statements

## 27 Notes to Consolidated Financial Statements

### 27.1 The subsidiaries considered in the consolidated financial statement as at 31st March 2015 are:

Name of the Subsidiary Company	<u>Country of Incorporation</u>	%of holding either directly or through subsidiaries
Dishman Europe Limited	UK	100%
Dishman USA. Inc.	USA	100%
Dishman Middle East FZE	UAE	100%
Dishman International Trading (Shanghai) Co. Limited #	China	100%
Dishman Pharma Solutions AG	Switzerland	100%
CARBOGEN AMCIS (Shanghai) Co. Limited "(formerly known as Dishman Pharmaceuticals & Chemicals (Shanghai) Co. Limited)" #	China	100%
Dishman Switzerland Limited	Switzerland	100%
Dishman Netherlands B.V \$	Holland	100%
CARBOGEN AMCIS Limited \$	UK	100%
CARBOGEN AMCIS AG ^	Switzerland	100%
CARBOGEN AMCIS SAS &	Franch	100%
Cohecie Fine Chemicals B.V. @	Holland	100%
Dishman Australasia Pty Limited	Australia	100%
Innovative Ozone Services Inc ***	Switzerland	100%
Carbogen Amcis (India) Limited	India	100%
Dishman Care Limited	India	100%
Dishman Japan Limited *	Japan	100%

\$ Through Dishman Europe Limited

^ Through Dishman Pharma Solutions AG

@ Through Dishman Netherlands B.V

\*\*\* Through Dishman Europe Limited and Dishman Switzerland Limited

& Through CARBOGEN AMCIS AG

# Year end for the subsidiary is December

\* Wholly owned subsidiary w.e.f. 10-12-2014

### 27.2 The associate company considered in the consolidated financial statements is:

Name of the associate company	<u>Country of Incorporation</u>	%of holding either directly or through subsidiaries
Bhadr Raj Holding Pvt. Limited	India	40%

### 27.3 The joint venture companies considered in the consolidated financial statements are:

Name of the joint venture companies	<u>Country of Incorporation</u>	%of holding either directly or through subsidiaries
Schutz Dishman Biotech Limited	India	22.33%
Dishman Arabia Limited **	Saudi Arabia	50%
Dishman Japan Limited *	Japan	100%

\* Wholly owned subsidiary w.e.f. 10-12-2014. \*\* Liquidated w.e.f. 05-01-2015.

# Notes

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<b>27.4 Contingent liabilities and commitments (to the extent not provided for)</b>		<b>₹ in Lacs</b>	
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>	
<b>(i) Contingent liabilities</b>			
a) Claims against the Company not acknowledged as debt	11.22	4.51	
b) Guarantees			
Outstanding guarantees furnished to the bank in respect of former subsidiaries and a " joint venture company"	12031.79	11777.89	
c) Disputed central excise duty (including service tax) liability	441.04	433.94	
d) Disputed income tax liability for various assessment years for which appeals are pending " with Appellate authorities, out of the said amount, the Company has paid ₹ 1190.98 Lacs " (Previous Year ₹ 747.24 Lacs) under protest."	8,227.73	6027.22	
e) Disputed sales tax and central sales tax liability "	559.56	559.56	
f) Bills discounted with banks	3870.25	6177.56	
<b>(ii) Commitments</b>			
"Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible" assets.	895.78	581.82	
<b>27.5 Earnings per share</b>		<b>₹ in Lacs</b>	
	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>	
Earnings per share			
Basic & Diluted			
Net profit for the year attributable to the equity shareholders(₹ In lacs)	11,980.90	10,927.22	
Weighted average number of equity shares	80,697,136	80,697,136	
Nominal Value of equity share (In ₹)	2.00	2.00	
Earnings per share - Basic & Diluted (In ₹)	14.85	13.54	
<b>27.6 Deferred tax Liabilities:</b>		<b>₹ in Lacs</b>	
	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>	
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax balance of fixed assets	9,116.77	7,964.59	
On expenditure deferred in the books but allowable for tax purposes	(325.57)	650.37	
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	12.91	15.71	
Others	(2,109.88)	631.86	
( A )	<u>6,694.23</u>	<u>9,262.53</u>	
Tax effect of items constituting deferred tax assets			
Provision for compensated absences, gratuity and other employee benefits	-	910.36	
Provision for doubtful debts / advances	(67.89)	345.91	
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(300.64)	1,237.22	
Others	(38.81)	-	
( B )	<u>(407.34)</u>	<u>2,493.49</u>	
Net deferred tax liabilities(A)-(B)	6,286.89	6,769.04	

# Notes (Contd.)

forming part of the consolidated financial statements

## 27.7 Retirement Benefit Obligation

In accordance with the Swiss laws, Carbogen AMCIS AG (CAAG), has formulated an employees retirement benefit plan wherein part of the contribution is made by the employee and part of the contribution is made by the employer. CAAG has insured future obligation payable on retirement to the employee with an insurance company. As per terms of the retirement benefit plan, the employee would get retirement benefit sum along with the interest earned by the insurance company based on the returns on the assets in which it has invested. CAAG has no further obligation towards the employee except for payment of higher premium (to new insurance company) in a situation where the Insurance Company is not able to fulfill its obligation.

As regards recognition of employee pension fund liability in the company's Swiss subsidiary, Carbogen Amcis AG, the statutory auditors of the subsidiary have classified the contribution to the pension fund as a defined contribution plan and hence not found it necessary to make provision for such liability. Further as the pension fund has insured the said liability with an insurance company, no provision has been made in the books of the subsidiary. Considering the contribution to the pension fund as a defined contribution plan, the company has complied with the requirements of AS-15.

## 27.8 Details of leasing arrangements

	₹ in Lacs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i) As Lessee		
Future minimum lease payments		
not later than one year	3,546.52	3,719.59
later than one year and not later than five years	14,279.84	14,936.23
later than five years	6,335.72	6,661.34
	24,162.08	25,317.16
(ii) Lease payments recognised in the Statement of Profit and Loss	3,630.10	3,680.26

## 27.9 Segment information

The Company is in the business of manufacturing and marketing of :

A.Contract Research & Contract Manufacturing (CRAMS).

B.Bulk Drugs, Intermediates, Quats ,Specialty Chemicals and traded goods

Segment revenue of the above business segment includes sales export incentive and income from Research and Development activity.

Segment revenue in geographical segment considered for disclosure is as follows:

A.Domestic Sales

B.Export Sales

(i) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management and reconciliation of reportable segments with financial statements.

Particulars				₹ in Lacs
	CRAMS	Bulk Drugs, Quats, Specialty Chemicals and traded goods	Unallocated/Others	Total
Revenue from Operations	110,092.59	47,426.18	-	157,518.77
	(93,352.48)	(45,179.52)	0.00	(138,532.00)
Other Income	6,262.42	2,337.22	4.86	8,604.49
	(2,041.43)	(446.17)	(3.70)	(2,491.30)
Total Revenue	116,355.00	49,763.40	4.86	166,123.26
	(95,393.91)	(45,625.69)	(3.70)	(141,023.30)
Results	12,887.01	3,032.54	4.86	15,924.71
	(12,340.37)	(3,296.15)	(3.71)	(15,640.23)
Assets	151,135.85	96,707.78	33,049.94	280,893.57
	(137,715.70)	(91,256.91)	(26,447.33)	(255,419.94)
Liability	44,854.47	12,180.74	2,870.77	59,912.91
	(33,944.74)	(12,688.01)	(3,055.16)	(49,687.91)

Note: Figures in bracket relates to the previous year

# Notes

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(ii) Particulars	Domestic	Export	Total
Revenue	6,687.98	159,435.27	166,123.25
	(11,543.61)	(129,479.68)	(141,023.30)
Total Assets	151,295.31	129,598.26	280,893.57
	(154,937.43)	(100,482.51)	(255,419.94)

(iii) The previous year figures have been regrouped / re-classified to confirm to the current year's classification.

## 27.10 Related party transactions

(i) Details of related parties:

Description of relationship	Name of related party
Key Management Personnel (KMP)	Mr. Janmejy R.Vyas
Key Management Personnel (KMP)	Mrs. Deohooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Relative of Key Management Personnel	Ms. Aditi J Vyas
Relative of Key Management Personnel	Ms . Mansi J Vyas
Key Management Personnel is Karta	Mr. J.R.Vyas HUF
Joint venture	Schutz Dishman Biotech Ltd.
Joint venture	Dishman Arabia Ltd.
Associates	Bhadra Raj Holding Pvt. Ltd.
Entity in which KMP can exercise significant influence	B. R. Laboratories Ltd.
Entity in which KMP can exercise significant influence	Azafran Innovacion Ltd.
Entity in which KMP can exercise significant influence	Leon Hospility Pvt. Ltd.
Entity in which KMP can exercise significant influence	Dishman Infrastructure Ltd.
Entity in which KMP can exercise significant influence	Adiman Technologies Pvt. Ltd
Entity in which KMP can exercise significant influence	Adiman Ventures - Partnership Firm
Entity in which KMP can exercise significant influence	Sharvil Associates - Partnership Firm
Entity in which KMP can exercise significant influence	Healthy Foundation - Charitable Trust
Entity in which Relatives of KMP can exercise significant influence	Discus IT Pvt. Ltd.

(ii) Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

	Associates /Joint Ventures	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	₹ in Lacs Total
Purchase of goods	15.58	-	-	148.40	163.98
	(13.90)	(-)	(-)	(51.48)	(65.38)
Sale of goods/ Export of Services	63.82	-	-	0.13	63.95
	(392.19)	(-)	(-)	(0.12)	(392.31)
Rendering of services	-	-	-	46.99	46.99
	(-)	(-)	(-)	(-)	0.00
Receiving of services	-	7.13	6.48	24.18	37.79
	(-)	(6.66)	(6.06)	(-)	(12.72)
Interest Income	-	-	-	454.78	454.78
	(-)	(-)	(-)	(405.32)	(405.32)
Loans & Advances Received	-	1,176.07	-	-	1,176.07
	(-)	(290.00)	(20.00)	(-)	(310.00)
Repayment of Loans & Advances Received	0.00	1,342.88	20.00	0.00	1,362.88
	(-)	(391.66)	(-)	(-)	(391.66)

# Notes (Contd.)

forming part of the consolidated financial statements

Remuneration	-	710.44	32.85	-	743.29
	(-)	(840.90)	(35.45)	(-)	(876.35)
Dividend Paid	7.20	558.36	1.68	-	567.25
	(7.20)	(584.95)	(1.68)	(-)	(593.83)
Balances outstanding at the end of the year					
Receivables	0.00	-	-	0.03	0.03
	(33.24)	(-)	(-)	(0.08)	(33.32)
Loans and advances given	-	-177.14	-	4,214.99	4,037.85
	(8.78)	(-329.40)	(20.00)	(-3,758.70)	(3,418.08)
Payable	2.17	-	-	16.52	18.69
	(22.01)	(-)	(-)	(-4.74)	(17.27)

Note: Figures in bracket relates to the previous year revious year

(iii) Disclosure in respect of material transactions with related parties			₹ in Lacs	
Particulars	Name of the related party	2014-15	2013-14	
Purchase of Goods	B. R. Laboratories Ltd.	0.00	6.46	
	Azafran Innovacion Ltd.	148.40	45.02	
	Schutz Dishman Biotech Ltd.	15.58	13.78	
Sale of goods	Schutz Dishman Biotech Ltd.	63.82	82.56	
Interest income	Dishman Infrastructure Ltd	454.78	405.32	
Loans and advances recived	Mr. Janmejy R.Vyas	1,090.07	260.00	
	Mrs. Deohooti J.Vyas	71.00	0.00	
	Mr. Arpit J.Vyas	15.00	30.00	
Repayment of Loans and advances received	Mr. Janmejy R.Vyas	1,223.93	391.66	
	Mrs. Deohooti J.Vyas	71.00	0.00	
	Mr. Arpit J.Vyas	47.95	0.00	
Remuneration	Mr. Janmejy R.Vyas	482.44	609.90	
	Mrs. Deohooti J.Vyas	120.00	120.00	
	Mr. Arpit J.Vyas	108.00	111.00	
Dividends paid	Bhadra Raj Holding Pvt. Ltd.	7.20	7.20	
	Mr. Janmejy R.Vyas	276.02	305.06	
	Mrs. Deohooti J.Vyas	131.57	131.57	
	Mr. Arpit J.Vyas	150.77	148.32	

In terms of our report attached.  
**For V. D. Shukla & Co.**  
Chartered Accountants

**Vimal D. Shukla**  
Proprietor  
Membership No.:036416  
FRN: 110240W

Place : Ahmedabad  
Date : 22-August-2015

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

**Janmejy R. Vyas**  
Chairman & Managing Director

**Deohooti J. Vyas**  
Whole Time Director

**Arpit J. Vyas**  
Managing Director & CFO

**Tushar D. Shah**  
Company Secretary

Place : Ahmedabad  
Date : 22-August-2015

Form - AOC- 1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part "A": Subsidiaries

Sr. Name of the Subsidiary	Dishman Europe Ltd. (DEL)		Dishman USA Inc. (DUS)		Dishman Pharma Solutions AG (DPSL)		CARBOGEN AMICIS AG (CAAG)		Dishman Switzerland Ltd. (DSL)		International Trading (Shanghai) Co. Ltd.		CARBOGEN AMICIS (Shanghai) Ltd.		CARBOGEN AMICIS (UK) Ltd.		Dishman Care Ltd.		Cohecie Fine Chemicals B.V. (DNBV)		Dishman Netherlands B.V. (DNBV)		Innovative Ozone Services Inc. (IOSS)		Dishman Australasia (Pty) Ltd.		Dishman Middleeast FZE		Dishman Japan Ltd. (India)		CARBOGEN AMICIS SAS (India) Ltd.						
	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/12/2014	Reporting Currency	31/12/2014	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015	Reporting Currency	31/03/2015					
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%					
<b>1 Share Capital</b>																																					
In FC	159,000	300,000	28,000,000	1,450,000	1,030,000	1,654,414	90,835,734	1	-	18,000	4,852,578	190,000	100,000	100,000	475,300,000	4,753,000	16,177,442	77,792,000	500,000	80,484,000																	
In INR	14,723,400	18,750,000	1,799,560,000	93,191,500	66,198,100	16,875,028	926,524,483	93	500,000	1,207,260	325,462,423	12,211,300	4,753,000	12,211,300	4,753,000	16,177,442	77,792,000	500,000	80,484,000																		
<b>2 Reserve</b>																																					
In FC	4,020,534	1,831,665	40,229,406	50,567,640	629,103	4,653,644	(56,682,349)	2,627,666	-	1,590	11,271,285	(2,004,713)	(91,163)	(62,695)	(260,749,587)	-	(216,084)																				
In INR	372,301,471	114,479,039	2,585,543,946	3,249,982,236	40,432,421	47,467,168	(578,159,960)	243,321,853	(1,658,865)	106,641	755,965,112	(128,842,894)	(4,332,990)	(1,067,070)	(135,589,785)	(61,442,016)	(1,449,274)																				
<b>3 Total Assets</b>																																					
In FC	10,299,953	7,609,068	91,194,189	109,977,083	1,527,170	13,643,644	134,789,540	5,260,861	-	19,590	29,291,895	(1,806,265)	344,254	954,162	20,517,150	-	2,177,377																				
In INR	953,775,626	475,566,728	5,861,050,544	7,068,227,138	98,151,216	139,165,172	1,374,853,311	487,155,705	2,513,252	1,313,901	1,964,607,406	(116,088,681)	16,362,381	16,239,838	10,668,918	19,237,444	146,036,679																				
<b>4 Total Liabilities</b>																																					
In FC	6,120,419	5,477,403	22,964,783	57,959,443	(131,933)	7,335,586	100,636,156	2,633,194	-	0	13,168,031	8,447	335,417	66,361	131,666,737	-	1,193,461																				
In INR	566,750,755	342,337,689	1,475,946,598	3,725,053,402	(8,479,305)	74,822,976	1,026,488,789	243,833,760	3,672,117	0	883,179,871	542,912	15,942,371	1,129,467	68,466,703	24,879,461	80,045,420																				
<b>5 Investments</b>																																					
In FC	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	
In INR	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	
<b>6 Turnover</b>																																					
In FC	27,854,658	15,338,799	0	122,438,145	0	19,230,515	6,437,035	8,662,786	-	2,713,918	29,300,316	0	854,685	0	329,827,102	-	2,713,918																				
In INR	2,579,341,361	958,674,948	0	7,869,099,547	0	1,961,512,252	65,657,755	802,173,984	0	182,022,466	1,965,172,163	0	40,623,197	0	171,510,093	0	182,022,466																				
<b>7 Profit Before Tax</b>																																					
In FC	190,175	303,056	2,707,551	10,490,456	3,400	403,484	(29,441,712)	1,473,610	-	38,046	4,725,544	(28,137)	103,195	3,792	(78,869,633)	-	38,046																				
In INR	17,610,215	18,941,009	17,401,429	67,422,161	218,518	4,115,539	(300,305,466)	136,456,292	(1,667,769)	2,551,726	316,942,207	(1,808,384)	4,904,870	64,540	(41,012,209)	(4,965,742)	2,551,726																				
<b>8 Provision for Tax</b>																																					
In FC	41,353	38,330	(7,206)	2,027,901	3,235	151,265	(28,716,204)	114,560	-	(52,107)	1,025,474	0	0	0	604,549	-	(52,107)																				
In INR	3,829,284	2,395,598	(463,097)	130,333,172	207,913	1,542,901	(292,905,278)	10,608,256	0	(3,494,849)	68,778,541	0	0	0	31,4365	0	(3,494,849)																				
<b>9 Profit After Tax</b>																																					
In FC	148,822	264,727	2,714,756	8,462,555	1,65	252,219	(725,509)	1,359,050	-	901,53	3,700,070	(28,137)	103,195	3,792	(79,474,182)	-	901,53																				
In INR	13,780,931	16,545,411	17,477,393	54,388,439	10,605	2,572,638	(7,400,187)	125,848,036	(1,667,769)	6,046,574	248,163,665	(1,808,384)	4,904,870	64,540	(41,326,575)	(4,965,742)	6,046,574																				
<b>10 Proposed Dividend</b>																																					
In FC	NII	NII	2,800,000	5,000,000	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	
In INR	NII	NII	179,956,000	321,350,000	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	

\*FC: Foreign Currency, INR: Indian Rupees

Note:-

1) The Foreign Currency Figures (including Capital) have been converted into Indian Rupees using the exchange rates prevailing as on 31.03.2015.

2) Name of Subsidiary which are yet to commence operations: Shanghai Yiqian International Trade Co. Ltd.

Conversion Rate

British Pound

US Dollar

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

CHF

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

Sr. No.	Name of Associates / Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end				Description of how there is significant influence	Reason why the associate/ Joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet (in ₹)	Profit / (Loss) for the Year	
		Latest audited Balance sheet Date	No. of Shares	Amount of Investment in Associates/ Joint ventures (₹ in lacs)	Extend of Holding%				Considered in Consolidation (in ₹)	Not considered in consolidation
1	Schutz Dishman Biotech Ltd.	31-Mar-15	334980	33.5	22.33%	See Note	N.A.	14285134	(10209924)	-
2	Bhadra Raj Holding Pvt. Ltd.	31-Mar-15	4000	0.4	40%	See Note	N.A.	14945954	485681	-
3	Dishman Arabia Ltd.*	-	-	147.14	50%	See Note	N.A.	40523050	(889279)	-

**Notes :** 1 There is significant influence due to percentage (%) of shareholding  
 2 Name of Joint Venture which have been liquidated/sold during the year Dishman Arabia Ltd.

**Place :** Ahmedabad **Janmejay R. Vyas** **Deohooti J. Vyas** **Arpit J. Vyas** **Tushar Shah**  
**Date :** 22nd August, 2015 **Chairman & Managing Director** **Whole Time Director** **Managing Director & CFO** **Company Secretary**





**Form No. MGT- 12  
Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the Company:</b>		<b>Dishman Pharmaceuticals and Chemicals Limited</b>		
<b>Registered Office:</b>		<b>Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009</b>		
<b>CIN:</b>		<b>L24230GJ1983PLC006329</b>		
<b>BALLOT PAPER</b>				
<b>Sr. No.</b>	<b>Particulars</b>			
1.	Name of the first named Shareholder (In Block Letters)			
2.	Postal address			
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)			
4.	Class of Share	Equity Shares		
I hereby exercise my vote in respect of Ordinary/Special Resolutions as proposed in the Notice dated 22nd August, 2015 of 32nd AGM of the Company and enumerated below by recording my assent or dissent to the said resolutions in the following manner:				
<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of Shares held by me</b>	<b>I assent to the Resolution</b>	<b>I dissent from the Resolution</b>
1.	Adoption of Financial Statements for the year ended March 31, 2015.			
2.	Declaration of Dividend on equity shares.			
3.	Reappointment of Mr. Arpit J. Vyas who retire by rotation.			
4.	Appointment of M/s. V. D. Shukla & Co. and M/s. Haribhakti & Co. LLP, Chartered Accountants, as Joint Statutory Auditors and fix their remuneration.			
5.	Reappointment of Mrs. Deohooti J. Vyas as Wholetime Director of the Company			
6.	Appointment of Mr. Mark C. Griffiths as a Director of the Company.			
7.	Appointment of Mr. Subir Kumar Das as an Independent Director.			
8.	Appointment of Mr. Rajendra S. Shah as an Independent Director.			
9.	Increase in Remuneration of Ms. Aditi J. Vyas u/s 188(1) of the Companies Act, 2013			
10.	Increase in Remuneration of Ms. Mansi J. Vyas u/s 188(1) of the Companies Act, 2013			
Place:		<b>(Signature of the Shareholder*)</b>		
Date :				

(\*as per Company records)

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# Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Registered Office: Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint shareholders may obtain additional Slip on request.

\* DP. ID. No. \_\_\_\_\_ \*Client Id. No. \_\_\_\_\_ Ledger Folio No. \_\_\_\_\_

NAME AND ADDRESS OF THE SHAREHOLDER : \_\_\_\_\_

No. of Share(s) held : \_\_\_\_\_

I hereby record my presence at the 32<sup>nd</sup> ANNUAL GENERAL MEETING of the company held on Tuesday the 29<sup>th</sup> day of September, 2015 at 10.00 a.m at H. T. Parekh Hall, 1<sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015.

• I certify that I am member/proxy of the Company.

\_\_\_\_\_  
Signature of the shareholder or proxy

**NOTE:** You are requested to sign and handover this slip at the entrance of the meeting venue.



# Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Registered Office: Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009

**Form No. MGT-11**

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No/DP ID-Client ID: \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- 1 Name: Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- 2 Name: Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- 3 Name: Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Tuesday, the 29<sup>th</sup> day of September, 2015 at 10.00 a.m at H. T. Parekh Hall, 1<sup>st</sup> Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1.	Adoption of Financial Statements for the year ended March 31, 2015.
2.	Declaration of Dividend on equity shares.
3.	Reappointment of Mr. Arpit J. Vyas who retire by rotation.
4.	Appointment of M/s. V. D. Shukla & Co. and M/s. Haribhakti & Co. LLP, Chartered Accountants, as Joint Statutory Auditors and fix their remuneration.
5.	Reappointment of Mrs. Deohooti J. Vyas as Wholetime Director of the Company
6.	Appointment of Mr. Mark C. Griffiths as a Director of the Company.
7.	Appointment of Mr. Subir Kumar Das as an Independent Director.
8.	Appointment of Mr. Rajendra S. Shah as an Independent Director.
9.	Increase in Remuneration of Ms. Aditi J. Vyas u/s 188(1) of the Companies Act, 2013
10.	Increase in Remuneration of Ms. Mansi J. Vyas u/s 188(1) of the Companies Act, 2013

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix  
Revenue  
Stamp not  
less than  
₹ 1/-

**Note :**

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. A Proxy need not be a member of the Company.

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Our state-of-the-art Pharma Development Unit of CARBOGEN AMCIS at Riom, France

ENERGISE YOUR  
SCIENCE FOR LIFE



Dishman Pharmaceuticals and Chemicals Ltd.

Bhadr-Raj Chambers

Swastik Cross Road, Navrangpura

Ahmedabad - 380 009

Gujarat, India

CIN: L24230GJ1983PLC006329

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