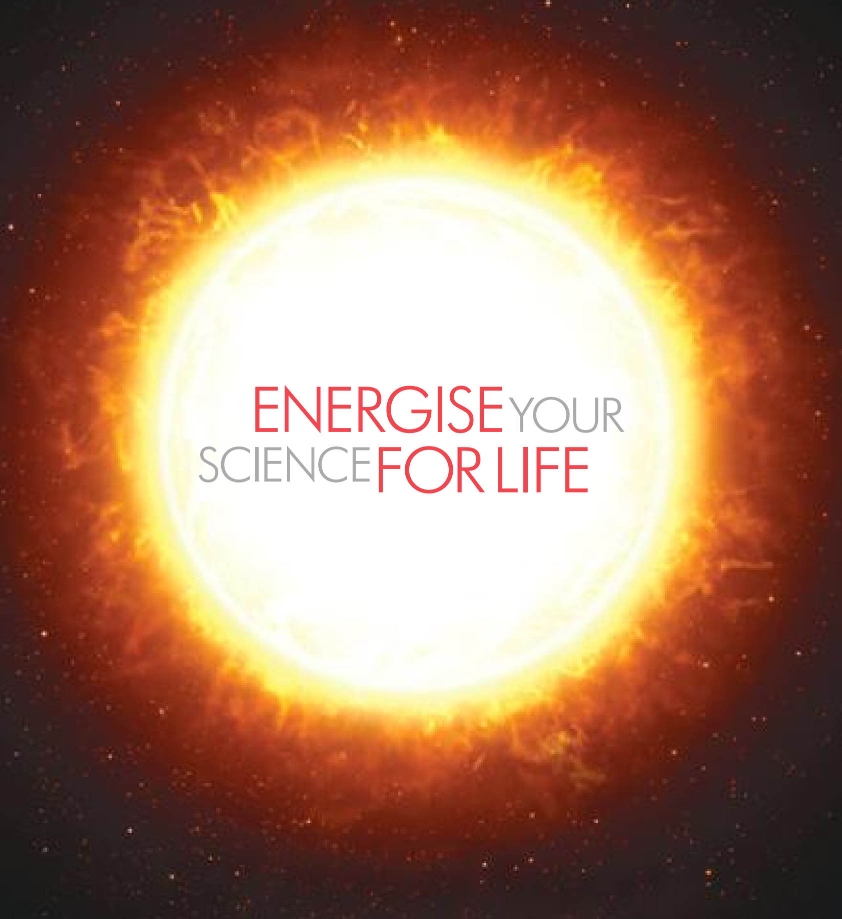
dishman



11th Annual Report 2017 – 2018

Dishman Carbogen Amcis Limited

dishman

CARBOGEN AMCIS

Dishman Carbogen Amcis Limited

11th Annual Report 2017-2018

View Online:
http://www.dishmangroup.com/investor-relations.asp

Energising Science for Life

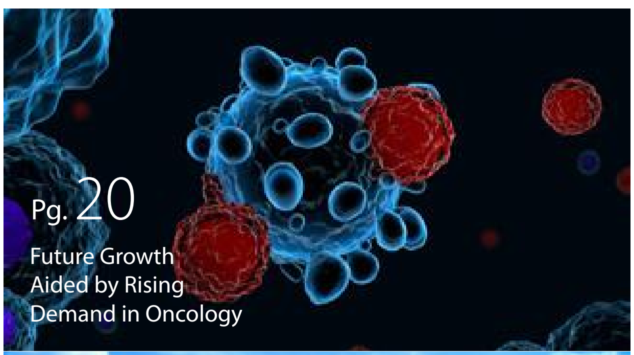
We are a differentiated CRAMS player with strong chemistry skills, cost efficient and flexible manufacturing processes, focused operations and product portfolio. These have helped us establish strong customer relationships, leading to scale-up of our CRAMS and API business over the last few years, helping sustain higher profitability and return ratios.

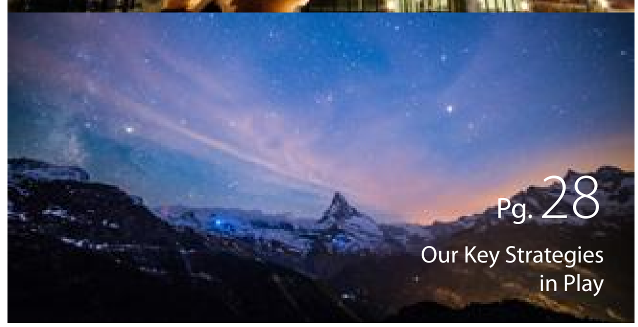
We have invested in world-class facilities and state-of-the-art infrastructure, which provides us with an unparalleled analytical support for research, development and commercial production of late-stage intermediates and APIs. We also churned our existing capacities better by focusing more on low-volume, high-value orders to improve margins.

Our expanded capacities make us strongly placed to benefit from a revival in the global CRAMS industry, which has high EBITDA margin. This is enabling us in assisting the drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process at an Asian cost base. We continue to diversify across new geographies, besides having enhanced our penetration in the US market. We are earning incremental revenues from HiPo business with better realisations.

WE HAVE STRONG COMPETITIVE ADVANTAGES AND CAPABILITIES ACROSS THE VALUE CHAIN – FROM PROCESS RESEARCH AND DEVELOPMENT TO LATE-STAGE CLINICAL AND COMMERCIAL MANUFACTURING. THE CRAMS SPACE PROVIDES US WITH A LARGE OPPORTUNITY, DRIVEN BY INNOVATORS. WE COLLABORATE WITH INNOVATOR COMPANIES FROM CONCEPTION TO COMMERCIALISATION STAGE TO BRING THE DRUG TO THE MARKET. WE ARE WELL POSITIONED TO ACHIEVE SEQUENTIAL GROWTH GIVEN OUR STRONG RELATIONSHIPS WITH INNOVATORS, OUR PRESENCE ACROSS THE CRAMS VALUE CHAIN, AND OUR ABILITY TO SUPPORT THEM IN LATE LIFE-CYCLE STRATEGIES.

What's Inside





Corporate Information

Board Of Directors

Mr. Janmejay 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. Janmejay R. Vyas
Mr. Ashok C. Gandhi

Corporate Social Responsibility Committee

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

Management Committee

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

Company Secretary & Compliance Officer

Ms. Shrima Dave

Statutory Auditors

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

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

Internal Auditors

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

Registrar & Transfer Agent

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

Registered Office

Bhadr-Raj Chambers,
Swastik Cross Road,
Navrangpura,
Ahmedabad – 380 009.
Tel. No.: 91-2717-420102
Email: dishman@dishmangroup.com
Website: www.dishmangroup.com

Corporate Office

Dishman Corporate House
Opp. Jayantilal Park BRTS Bus Stop,
Iscon-Bopal Road, Ambli,
Ahmedabad - 380 058.
Tel. No.: 91-2717-420124

Works

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

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

Bankers

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

CIN NO.

L74900GJ2007PLC051338

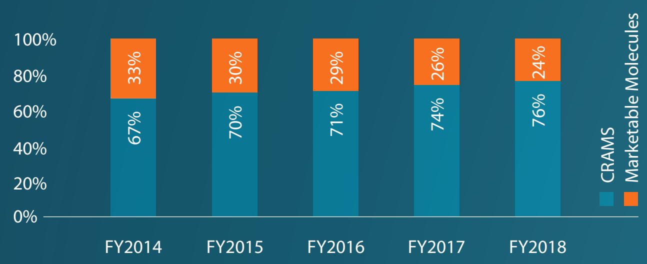
Subsidiary Companies

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

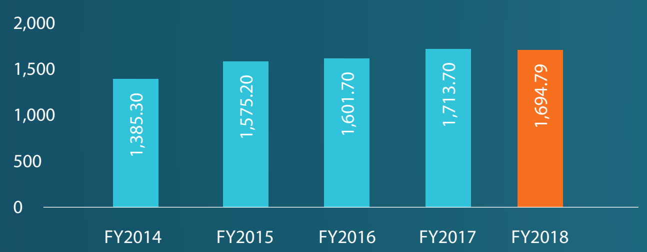
At a Glance

WE ARE AN INTEGRATED CRAMS PLAYER PRESENT ACROSS THE VALUE CHAIN FROM BUILDING BLOCKS TO COMMERCIALISATION AND LAUNCH STAGE. WE HAVE A BROAD-BASED SKILL SET AND A GLOBAL FOOTPRINT, WITH THE ABILITY TO RETAIN CLIENT SERVICES THROUGH THE COMPLETE DEVELOPMENT AND COMMERCIALISATION OF A DRUG.

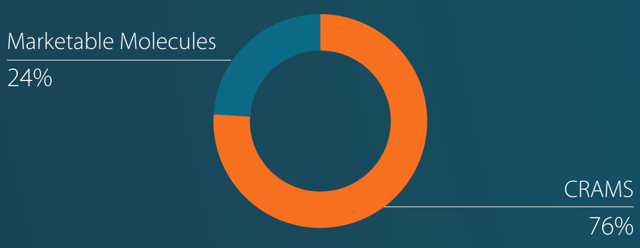
Our Revenue Mix *(%)*



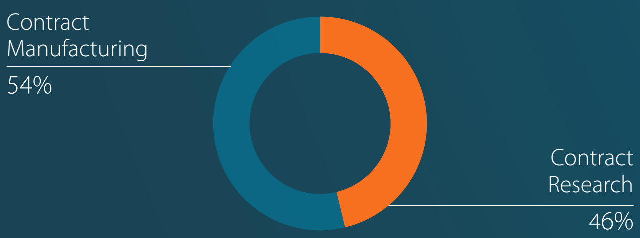
Revenues *(₹ Crore)*



Our FY2018 Revenue Break-Up *(%)*



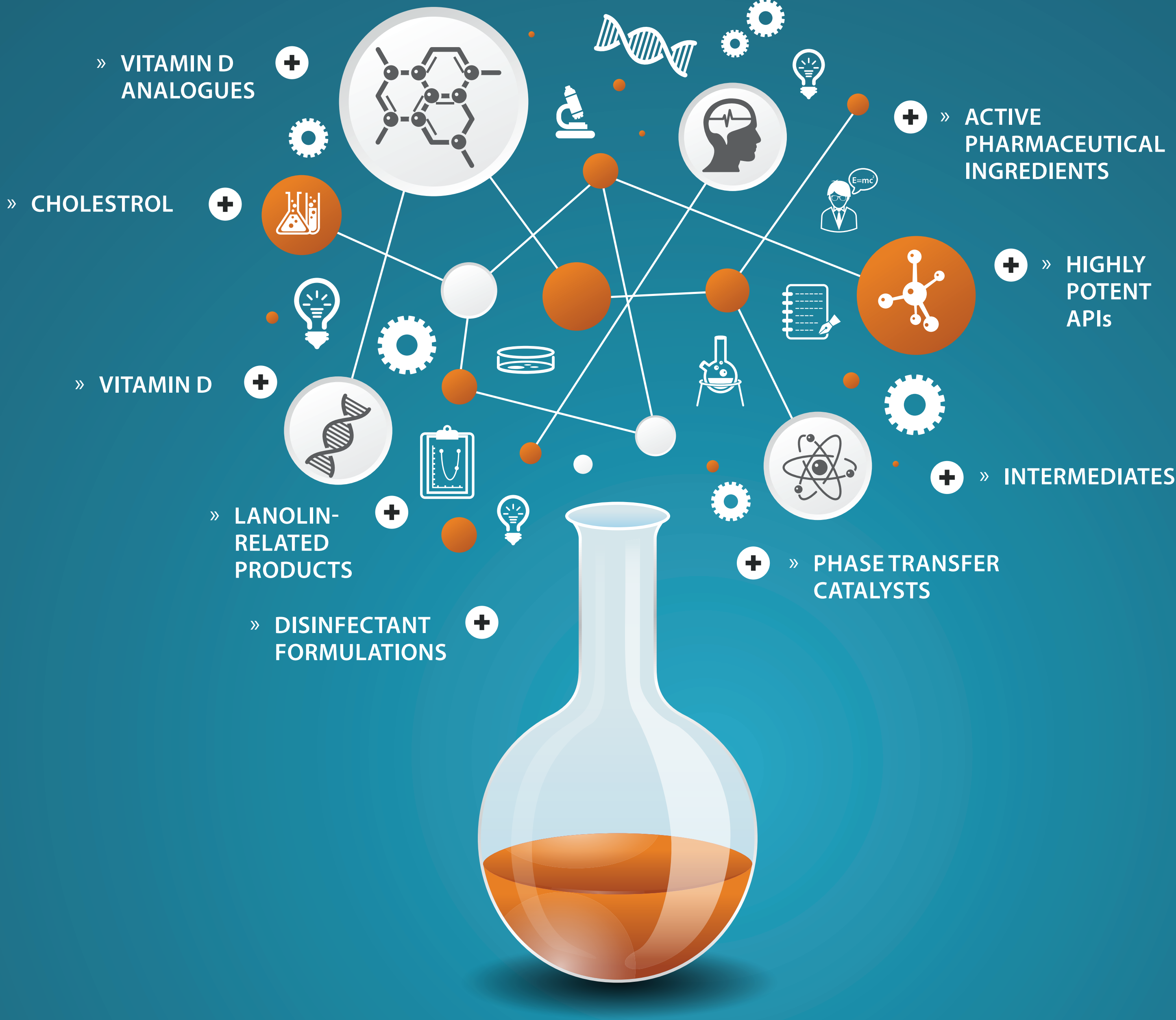
Our FY2018 CRAMS Business *(%)*



Incorporated in 1983, Dishman Carbogen Amcis Limited (DCAL) initially started out as a manufacturer of quaternary ammonium and phosphate compounds. Having ventured into the CRAMS space in India, the Company soon became one of the fastest-expanding companies. Since then, we have entered into multiple contracts with innovator companies. We have diversified our portfolio with the acquisition of Carbogen Amcis UK and Carbogen Amcis Switzerland and Dishman Netherlands. Later on the Company established a subsidiary in Shanghai by way of a greenfield project as well as acquired a company in France for development of small volume injectables formulation.

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

Our Product Portfolio



Our Presence Across the Value Chain

Our Manufacturing Footprint

A DIVERSIFIED MANUFACTURING BASE IN INDIA, UK, CHINA, SWITZERLAND AND NETHERLANDS PROVIDES RISK MITIGATION AND HELPS THE COMPANY GAIN BETTER DEVELOPMENT ORDERS AND GREATER MOMENTUM IN COMMERCIAL ORDERS.

Bavla, Gujarat, India – Unit 1

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

Bavla, Gujarat, India – Unit 6

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

Bavla, Gujarat, India – Unit 7A, 7H, 7O

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

Bavla, Gujarat, India – Unit 8

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

Bavla, Gujarat, India – Unit 9

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

Bavla, Gujarat, India – Unit 2

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

Bavla, Gujarat, India – Unit 3

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

Bavla, Gujarat, India – Unit 4

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

Bavla, Gujarat, India – Unit 5

- Intermediate manufacturing facility
- Solvent distillation facility

Bavla, Gujarat, India – Unit 10

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

Bavla, Gujarat, India – Unit 13

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

Naroda, Gujarat, India

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

Pilot Plant, Naroda, Gujarat, India

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

Our Manufacturing Footprint

CARBOGEN AMCIS AG, Site Bubendorf & Headquarter, Switzerland

- Lab, administration and containment facilities with 260 employees
- Clean room dedicated for Antibody Drug Conjugates
- Multi-purpose clean room dedicated for purification of high-potent by HPLC process
- Process optimisation and supply of late-phase and commercial APIs
- Inspected by FDA, SwissMedic and Korean Health Authority MFDS
- Holds accreditation as foreign manufacturer for Japan

CARBOGEN AMCIS AG, Site Vionnaz, Switzerland

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

CARBOGEN AMCIS LTD., Site Manchester, UK

- Specialises in process research and non-GMP custom synthesis of pharmaceutical intermediates with 50 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^2 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^2 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 115 employees
- Primary location for chromatography and product-handling facilities
- SwissMedic inspected
- US FDA inspected

CARBOGEN AMCIS AG, Site NEULAND, Switzerland

- Primary location for ICH stability studies and solid state services with 45 employees
- Inspected by the SwissMedic and Korean Health Authority MFDS
- US FDA inspected

DISHMAN NETHERLANDS B.V., Veenendaal, The Netherlands

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

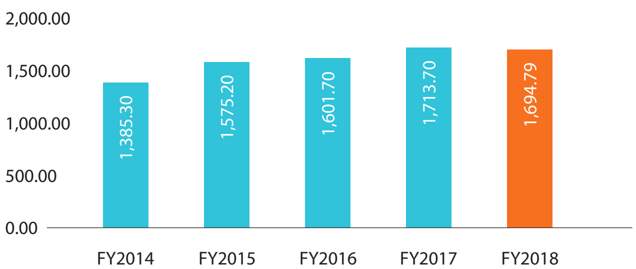
CARBOGEN AMCIS (SHANGHAI) CO. LTD., Site Shanghai, China

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

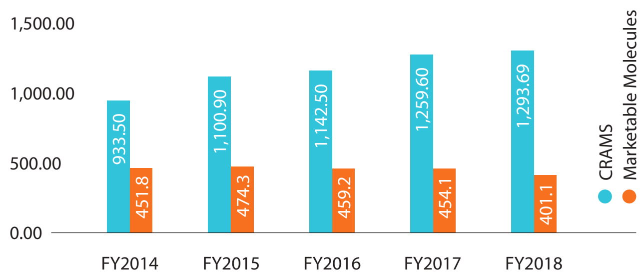
The Year That Was

Our Key Performance Indicators

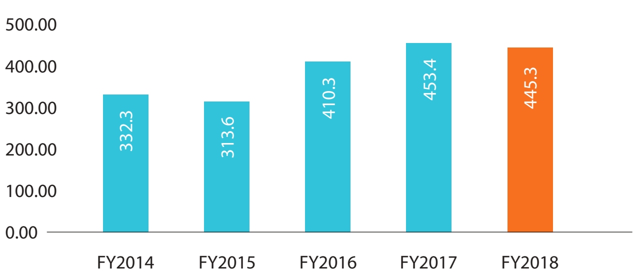
Revenue *(₹ Crore)*



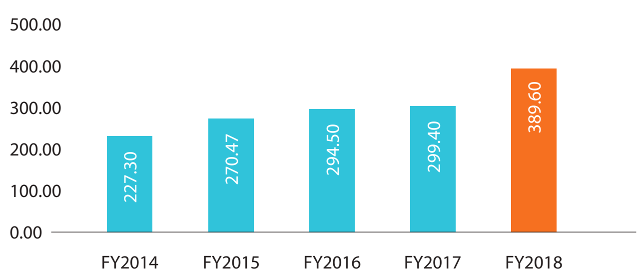
Revenue Break-Up *(₹ Crore)*



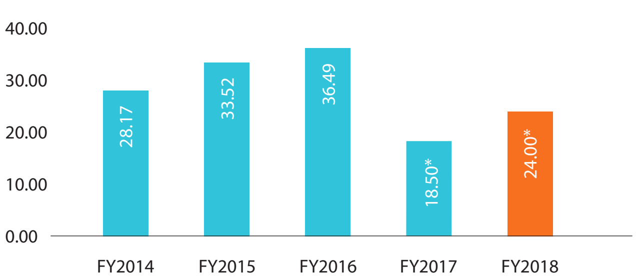
EBITDA *(₹ Crore)*



Cash Profit *(₹ Crore)*

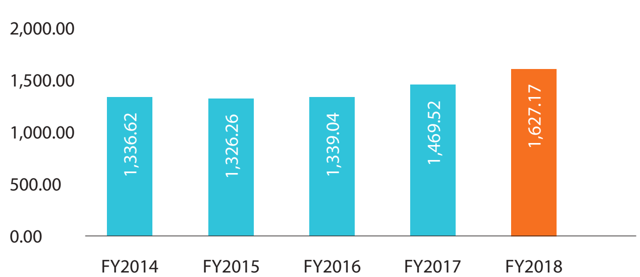


Cash Earnings Per Share *(₹)*



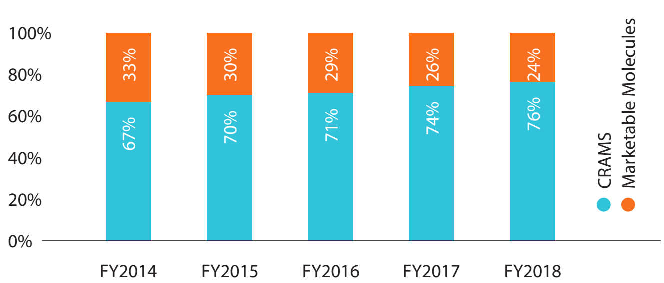
**Includes additional shares due to Bonus Issue in the ratio of 1:1*

Tangible Net Block *(₹ Crore)*



WE CONTINUE TO BUILD ON OUR FUNDAMENTALS BY EXECUTING OUR ONGOING PROJECTS AND IMPROVING OPERATIONAL EFFICIENCY. WE ARE CONSTANTLY AIMING AT INCREASING THE OVERALL PROFITABILITY MARGIN BY IMPROVING OUR CAPACITY UTILISATION.

Our Revenue Mix (%)



Our Key Initiatives in FY2018

- » Present across the CRAMS value chain and changed dependence on large innovators from 70%-80% in FY2011 to 25%-30% in FY2018
- » HiPo facility at Bavla running at full installed capacity utilisation; Other 2 chambers to be made operational shortly to support higher overall margins
- » Successful inspection of one of Carbogen Amcis AG's manufacturing facilities by the USFDA
- » Identified key segments to support a strong development pipeline such as oncology, cardiovascular, central nervous system, ophthalmic and drugs under orphan drug category
- » One of the key oncology molecules, which was being developed by the Company, received approval from the European Health Authorities, in addition to the USFDA approval
- » Planned increase in development capacity at Carbogen Amcis AG to add to incremental revenues in the future

Future Growth Drivers for Manufacturing Capacities

Carbogen Amcis was running at 95% capacity utilisation, and has a strong order book of CHF 90 million. Constraints in taking any new orders impacted few contracts, however, Carbogen Amcis acquired a building in Switzerland, which will be operational by the second quarter of FY2019, giving further impetus to the existing order book. In the HiPo facility, one molecule each was made commercial, and we expect more molecules out of this unit to be successfully developed, which would present a tremendous growth opportunity.

Some expansion of the current installed capacities in Unit 9 is being undertaken to make 2 cells operational, based on the possibility of a sizeable order book for this unit, owing to one of the molecules being successfully developed. This will also lead to improvement in the overall profitability margins to increase further, as the capacity utilisation of this plant increases.

Chairman & Managing Director's Message

Janmejay R. Vyas
Chairman & Managing Director

12.89%

ESTIMATED CAGR OF INDIAN PHARMACEUTICAL INDUSTRY BETWEEN 2015-20

Dear Shareholders,

It is my honour and privilege to interact with you as the Chairman of the Board. The fiscal has been an exciting one for the Company. We took the opportunity to strengthen our business by reducing our operating expenses and capital investment, while continuing to drive our efforts towards utilising our capacities in an optimal manner. We remain on course to meet our strategic targets and deliver sustainably. We are fully confident that Dishman will continue to succeed and thrive in the future.

Today, we are a global and integrated CRAMS player with strong capabilities across the value chain – from process research and development to late-stage clinical and commercial manufacturing. We are proud to have become the preferred outsourcing partner across continents and countries and also to service customers from all the key advanced markets including US, Europe and Asia. The global pharmaceutical and bio-pharmaceutical CRAMS market has been growing year on year, with an increasing emphasis on generic alternatives from developed countries. Global pharmaceutical companies are focusing on marketing and discovery, and are outsourcing drug development, clinical trials and manufacturing.

OUR KEY CAPABILITIES OF STRONG CHEMISTRY SKILLS, LOW COST AND FLEXIBLE MANUFACTURING PROCESSES ARE HELPING US ESTABLISH STRONG CUSTOMER RELATIONSHIPS AND SUSTAIN HIGHER PROFITABILITY.

We are leveraging our key capabilities of strong chemistry skills, low cost and flexible manufacturing processes, focused operations and our product portfolio. These factors have helped Dishman establish strong customer relationships, leading to scale-up in our CRAMS and API businesses, and have helped sustain higher profitability and better return ratios. These are also the factors that we capitalise on to differentiate ourselves from other Indian CRAMS players.

Laying our Foundation for Long-Term Growth

At Dishman, our focus continues to be on improving our margins with higher capacity utilisation and high margin revenues from the niche and highly potent compounds. We are also focusing on improving our asset turnover and return ratios, and improving our liquidity to capture business opportunities for even stronger growth. We have been gaining the flexibility to manufacture from either of the facilities, thereby reducing dependence on a single plant. This will also free up the capacity constraint at Carbogen Amcis, allowing the site to focus on early phase chemical synthesis work. Going forward, we remain on course to meet our strategic targets and deliver sustainably. We are confident of the Dishman Group continuing to succeed and thrive in the future.

I take this opportunity to convey thanks to our Board Members for their constant guidance and support. We look forward to their support as we continue to create long-term value for our stakeholders.

On behalf of the Board, we thank our the shareholders for believing in us, the Management of Dishman Carbogen Amcis, and the employees for their loyalty and contribution.

Janmejay R. Vyas
Chairman & Managing Director

Managing Director's Message

Arpit Vyas
Managing Director & CFO

WITH NO MAJOR CAPEX PLANNED FOR THE NEXT FEW YEARS AND A SIGNIFICANT CHUNK OF THE PORTFOLIO GEARED TOWARDS HIGHER END API SUPPLIES, WE FORESEE AN IMPROVEMENT IN OUR PROFITABILITY.

Dear Shareholders,

We are pleased to present to you the FY2018 Annual Report of your Company. I would like to take this opportunity to highlight the company's philosophy, key developments and share my thoughts on prospects for the years ahead.

Firstly, I would like to mention that we are a company built on strong values of ethics and transparency. We work tirelessly day in and day out to ensure that based on our value system and with the help of innovation, we are able to provide best in class novel chemical entities to our customers. Our goal is to eventually see a world where there are no diseases and it becomes a happy place to live in. With this goal in mind, we have identified five key therapeutic areas where we would want to be focusing our energies on. These include oncology, cardiovascular, CNS, ophthalmic and drugs for diseases where there is no cure right now. We have built a very strong pipeline of APIs, across various development phases and more significantly in late Phase III, which gives us a tremendous visibility for the next 3-5 years. Our strategy of "One Company Two Brands" is working well, which is taking us closer to our goal.

We are extremely excited with the pipeline products and the new chemical molecules commercialised over the last 2-3 years. We are confident of a significant growth in revenues and profitability over the next 3-5 years. However, I would like to mention that many of the milestones before commercialisation of a molecule are in the hands of our customer and the regulatory agency so sometimes it may take longer than expected for conversion of our sustained efforts into financial numbers.

Being the Preferred API Supplier

We are the preferred or sole active pharmaceutical ingredient (API) supplier for most products approved by the US Food and Drug Administration (USFDA) and other regulatory agencies.

We share strong relationships with our clients and work majorly with innovators for the supply of APIs or research activities. The top ten global players account for 35% of our turnover. We have made inroads into small and medium-sized biotech companies, thereby mitigating our revenue concentration risk.

35%

CONTRIBUTION BY TOP TEN GLOBAL PLAYERS IN OUR REVENUE.

Our Financial Performance

During the year, the CRAMS segment contributed 76% of our total revenue, while 24% of the revenue was contributed by other segments like bulk drugs, intermediates, specialty chemicals, vitamins and disinfectants.

In the CRAMS segment, Carbogen Amcis was the best performer with revenue of ₹ 973.33 crore, a rise of 5.51% compared to ₹ 922.46 crore in the previous year. In the Marketable Molecules segment, Dishman Netherlands was the best performer with ₹ 196.26 crore.

Our Revenue from Operations stood at ₹ 1,694.79 crore and EBITDA stood at ₹ 445.35 crore which represents 26.27% of Net Revenue. Fall in raw material prices, cost rationalisation and a better product mix led to an expansion in margins during the year. Profit After Tax was ₹ 154.57 crore, higher by 6.28% compared to ₹ 145.43 crore. We have been sharpening our focus on profitability by scaling down low-margin products.

Improving Profitability

With no major capex planned for the next few years, and a significant chunk of the portfolio geared towards higher-end API supplies, we foresee an improvement in our profitability and increased cash flows, which will be utilised to invest into assets for future growth. Further, interest cost savings due to repayment of debt and margin expansion is expected to drive earnings CAGR over the next few years. Scalability of our HiPo facility and further approvals from regulatory authorities is expected to result in better profitability.

We expect profitability improvement to be supported by the scale-up of utilisation levels at our plants, particularly at the HiPo plant (Unit 9), further profitability improvement at the Shanghai plant and certain measures, including product focus and streamlining the supply chain of the Vitamin D business.

Our endeavor to constantly scale our businesses, diversify into new growth avenues, and consistently outperform ourselves, has helped us carve out a considerable share of the market in our areas of presence.

Going forward, we will continue to invest in people with the right expertise and R&D to keep our pace with our growth and become enabled to scale to new growth frontiers. As a trusted partner to all our stakeholders, we will continue to responsibly provide our services that will enable our business to contribute meaningfully towards economic progress.

I would also like to express my gratitude to our customers for their continued support and trust. Finally, I would like to thank our employees, whose hard work at every level of the business has allowed us to deliver strong performance.

Arpit Vyas
Managing Director & CFO

Global CEO's Message

Mark Griffiths
Global CEO & Member of the Board

>30%
OPERATING MARGIN OF CRAMS BUSINESS

Dear Shareholders,

It is indeed my pleasure to present your Company's performance for FY2018 as the Global Chief Executive Officer. The year under review has been a successful one as we grew our business, increased profitability and advanced our key strategic initiatives. This enabled us to improve our competitiveness and enhance the value delivered to our shareholders.

During the year, we demonstrated the stability of our business model and also showcased our resilience with consistent topline and bottom line growth. Our strategies have made us increase our focus on product differentiation, a relatively uncrowded space, that will continue to be our mainstay. We will simultaneously continue to invest in R&D for development of products and solutions that will also be targeted for the developed markets.

High-Margin CRAMS and Vitamin D analogues Business

Our venturing into the CRAMS space has enabled us assist drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process. We are focusing on CRAMS and Vitamin D analogues business which are highly profitable on a sustainable basis for the group. With our expanded capacities in the CRAMs space, we are strongly placed to benefit from the significant growth that we are seeing in the global CRAMS industry. The Vitamin D analogues business has turned out to be extremely profitable for us on account of the change in business strategy that was undertaken in Dishman Netherlands about 4-5 years back. We continue to benefit from the extremely complex, difficult to manufacture Vitamin D analogues business.

Our capabilities across the CRAMS value chain has helped us earn an edge in the marketplace. Our strong chemistry skills and large scale multi-purpose manufacturing capacities helps us to invest our energies into some of the most complex and niche molecules for development. Our rich pool of scientists has been diligently working on innovative technologies and best in class processes in order to successfully develop first of their kind APIs, which would help our customers to bring the final products to the market. The HiPo facility at Bavla, the largest in Asia, enables us to gain from the high-margin HiPo opportunity in the oncology and other highly potent compound space.

Under Dishman India, we are a global and reliable outsourcing partner to the industry, offering a portfolio of development, scale-up and manufacturing services, providing a wide range of development and manufacturing solutions at locations in Europe and India. In this business, we remain committed to deliver high value added solutions with technical excellence.

Our High Potency Capability

We have invested in world class facilities and state-of-the-art infrastructure and optimised each site with the necessary equipment. This helps us provide an unparalleled analytical support for research, development and commercial production of late stage intermediates and APIs. With 14 years of HiPo API experience, our HiPo API business represents a significant opportunity for us to enable top and bottomline growth.

During the year, we improved our capacity utilisation at our manufacturing facilities by focusing more on small and medium-sized companies. We also efficiently utilised the HiPo facility, and other facilities.

Moving ahead, we believe our rich parentage and deep sector understanding will continue to help us deliver sustainable growth.

I would like to end by expressing my gratitude to all our customers, teams, investors, bankers, regulators and shareholders – for the trust they have reposed in us. We thank all those who have accorded their support to us. We feel privileged to welcome every new member to accompany us on this exciting and profitable journey.

Best Wishes,

Sincerely,
Mark Griffiths
Global CEO & Member of the Board

WE ARE A GLOBAL AND RELIABLE OUTSOURCING PARTNER TO THE INDUSTRY, OFFERING A PORTFOLIO OF DEVELOPMENT, SCALE-UP AND MANUFACTURING SERVICES, PROVIDING A WIDE RANGE OF DEVELOPMENT AND MANUFACTURING LOCATIONS IN EUROPE AND INDIA.

Board of Directors and Leadership Team

Mr. Janmejay R. Vyas

Chairman & Managing Director

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

Mrs. Deohooti J. Vyas

Whole-time Director

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

Mr. Arpit J. Vyas

Managing Director & CFO

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

Mr. Mark Griffiths

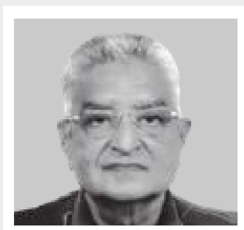
Director & Global CEO

Mr. Griffiths holds a Master's Degree in Science (Mechanical Engineering) from the University of Bristol. He has extensive background within the Pharma industry and has strong leadership skills. He has more than 35 years of experience in Strategy, Business Operation, Facility & Plant Engineering Design for pharmaceutical and chemical plants. Before joining the Dishman Group as Global CEO, he was the co-founder and joint owner of COSAM Developments Ltd., a multi-discipline pharmaceutical consultancy firm. He has been inducted on the Board from August 2014.

Mr. Sanjay S. Majumdar

Director

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



Mr. Ashok C. Gandhi

Director

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

Mr. Rajendra S. Shah

Director

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

Mr. Subir Kumar Das

Director

Mr. Das has 36 years' experience in commercial banking, superannuated as Chief General Manager (HRM) from Bank of Baroda (BOB). He was also Advisor (HR) to CMD, BOB. Mr Das is Advisor and Faculty with Mckinsey & Company in HR and BPR areas. He is visiting faculty in NIBM Pune and various management institutes. He conduct sessions on Managing Change, Innovation, HR Management, Leadership etc. Mr Das is Director in Smemavens Foundation, a not for profit organisation, is responsible for imparting training and mentorship to small and medium enterprises in areas like management of finance, managing growth / expansion, emerging opportunities etc. Mr Das is MBA(Finance), MSc(Chemistry) and CAIIB.

Leadership Team

Global Team

Mr. Mark Griffiths - *Global CEO*

Dr. Alan Fischer - *Global Chief Information Officer*

Mr. Dieter Thueer - *Global Head - Human Resources*

Mr. Pascal Villemagne - *VP - Commercial*

Mr. Martin Schneider - *Global Chief Quality Officer*

India Team

Mr. Bharat Padia - *Executive Director*

Dr. Himani S. Dhotre - *Sr. VP (R&D) & CEO (Bavla Plant)*

Mr. Harshil Dalal - *Sr. VP (Finance & Accounts)*

Mr. Jayesh A. Shah - *VP (Production) & CEO (Naroda Plant)*

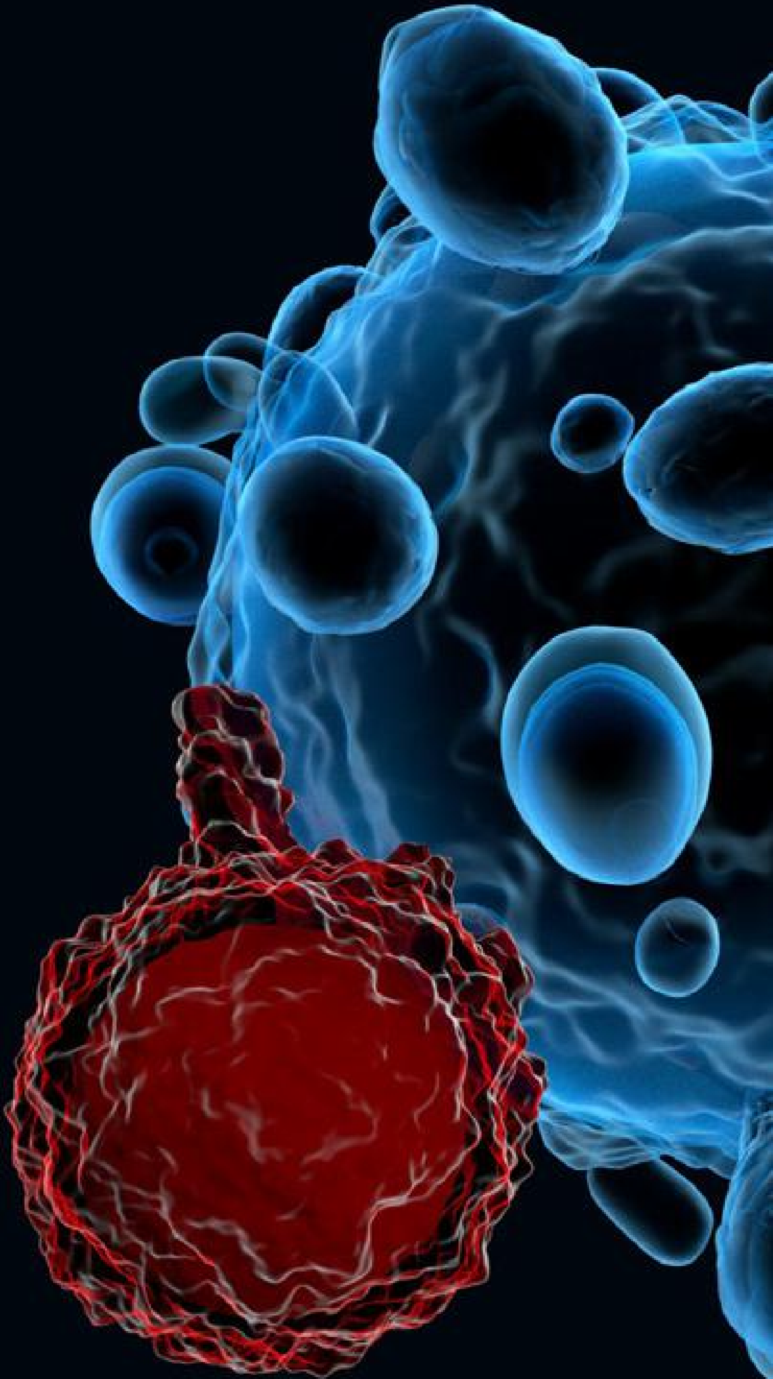
Mr. Dharmesh Desai - *DGM (Legal & Secretarial)*

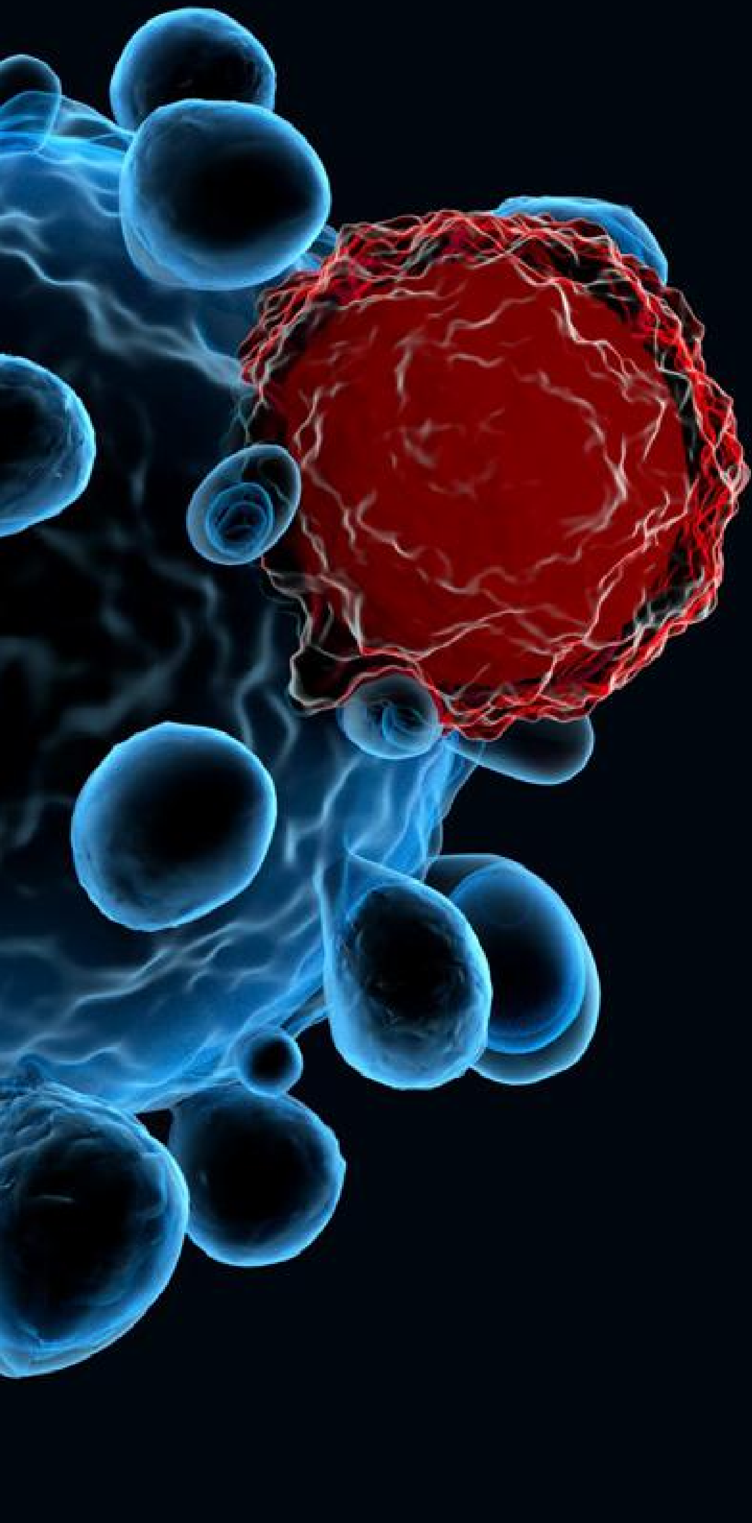
Future Growth Aided by Rising Demand in Oncology

15

OUR MOLECULES IN LATE PHASE 3

WE HAVE CREATED A DEDICATED HIPO FACILITY AT BAVLA, NEAR AHMEDABAD, GUJARAT. WE FORESEE OUR HIPO SALES GROWING SUBSTANTIALLY WITH A CURRENT PIPELINE OF 15 MOLECULES IN LATE PHASE 3, OF WHICH 50% ARE IN ONCOLOGY THERAPY.





We are focusing on the Oncology segment (currently 45% of our CRAMS sales), a market which is expected to grow at pace faster than other segments. This is one of the most critical therapeutic segments, driving the global spend in medicines, projected to grow at a CAGR of 9% to 12% over CY2016-21(E) by IMS. Considering the overall pharmaceuticals sales of ~US$ 194 billion at risk from CY2016-22 due to patent expiry and increasing risk from biosimilars, the pure oncology segment is expected to grow at a CAGR of 12.7% during the same period, considering sales to touch US$ 192 billion by CY2022.

The global HiPo API market is growing faster than the normal API market. From US$ 16.02 billion in CY2016, the market is projected to grow to US$ 25.86 billion by CY2022. Oncology is the key driver of growth in this segment, contributing 60% of the HiPo API portfolio. Innovators, too, have a keen focus on the oncology segment, contributing ~28% of Phase II/III clinical trials. Oncology requires highly potent drugs which are effective at much smaller dosages, with the ability to target only the diseased cells.

Currently, there are ~96 contract manufacturing organisations and contract development and manufacturing organisations worldwide, with more than 130 facilities. Of this, ~40% are dedicated to the production of HiPo API and cytotoxic drugs. The segment is most promising as India and China cumulatively account for 33% of the total API business and ~5% of the global HiPo API. But with more companies dedicating energy for the development of the HiPo API facilities, India and China are together seen capturing ~15% of the market by CY2026.

PICK-UP IN CRAMS BUSINESS AND GROWING ORDER BOOK

WE OFFER SERVICES ACROSS THE CRAMS VALUE CHAIN - FROM BUILDING BLOCKS TO COMMERCIALISATION STAGE - HAVING INVESTED AGGRESSIVELY IN OUR DEVELOPMENT AND MANUFACTURING CAPACITY. OUR STRATEGY OF "ONE COMPANY, TWO BRANDS" IS HELPING US BUILD OUR CRAMS PORTFOLIO, WITH A DIVERSIFIED RESOURCE BASE AND DEEPER CLIENT RELATIONSHIPS.

We are a full-fledged CRAMS partner for global pharma Innovators and are building up our portfolio, working across 450+ molecules. We offer services across the CRAMS value chain – from building blocks to the commercialisation stage and have invested aggressively in our development and manufacturing capacity.

More than 60% of our portfolio comprises of small pharma companies, indicating an improvement in our client base. Repeat orders contribute about 75% of our total business. Our top 5 customers – Mylan, Abbott, Johnson & Johnson, Novartis and Celegene – contribute 19% of total sales. We follow a strategy of engaging more with "large to small" innovators and mid-sized biotech companies.

Contribution by CRAMS

CRAMS-India accounts for 14% of total sales, with overall EBIDTA margins of 54% in FY 2018. CRAMS-CA contributes for 60% of Total sales, with overall EBIDTA margins of 20.2% in FY 2018. CRAMS-UK contributes 3% of CRAMS business and enjoys EBITDA margins of 23%. During FY2011-18 our CRAMS business grew from ₹ 655 crore to ₹ 1,294 crore lead by growth of expanded capacity and increased order book from Carbogen Amcis and Dishman India.

Our China operations mainly support the requirements of Carbogen Amcis. This has finally turned profitable at the EBITDA level with improving capacity utilisation. Currently, capacity utilisation at the China facility stands at only 30%. Post approvals from other regulatory agencies, and post completion of its inspections, the supplies to third parties will be a strong catalyst for the improvement for better operational efficiencies in China.

We have a strong CRAMS order book of US$ 130 million, while Carbogen Amcis continues to have a strong pipeline of CHF 90 million. In order to meet the ongoing demand from customers in the R&D space, we have invested in a facility close to our current Bubendorf, Switzerland facility to cater to such requirements. This facility will be operational from Q2 of FY2019, and will add to the overall sales.

Key Triggers for CRAMS Business

We have a strong overall order book of US$ 130 million (US$ 90 million to be completed by FY2019 at Carbogen Amcis). We have a strong pipeline in Phase III which is expected to get commercialised. The plant continues to run at full capacity, while revenue contribution has increased from 58% to 60% with allocation of a dedicated capex of US$ 20 million, we expect further ramp up the R&D activities. We expect commercial supplies of two recently commercialised molecules and a ramp-up in supplies of oncology products from the HiPo API facility, oncology focus to get additional contracts especially for the HiPo facility and shift of portfolio to the high-margin contracts.

The segment's margin in FY2018 stood at 27% due to the higher margin commercial production projects. The future pipeline remains strong for the Company, with a renewed focus on high margin projects. With several products in the pipeline to be launched in the next couple of years by US customers, we expect US portion of total sales to be significantly higher from the current levels. Currently, the company has ~15-16 molecules in late Phase 3, thus giving a high possibility of some converting to commercial launch. Among the late stage molecules, a significant number of molecules have been filed by the innovators for regulatory approvals.

Growth drivers in CRAMS:

» Increase in the number of niche APIs for development projects

» Strong pipeline in Phase 3, converting to commercialisation

» Oncology and other highly potent compound focus to get additional contracts especially for its HiPo facility

» Better utilisation of plants, especially in Shanghai

» Shift to high margin contracts portfolio

Mix of Marketable Molecules to Improve Margins

28%

OPERATING MARGINS IN MARKETABLE MOLECULES SEGMENT

WE ARE PROJECTING THE MARKETING MOLECULES BUSINESS TO GROW, BACKED BY INCREASED DEMAND FOR VITAMIN D ANALOGUES. SHIFT ON THE DISTRIBUTION MODEL FOR NETHERLANDS CHOLESTEROL BUSINESS IS ALSO IMPROVING OUR REALISATIONS AND MARGINS.

The Marketable Molecules (MM) vertical has four sub-segments – generic APIs, specialty chemicals (QUATS), vitamins & chemicals and disinfectants. We restructured our portfolio and exited from the formulation of low-margin Vitamin D products to high margin Vitamin D analogues. We are now focused on Calcifediol and Calcitriol, which are highly concentrated Vitamin D analogues and the uses are more diverse. Our Dishman Netherlands business profitability has grown from 20% in FY2015 to 38.2% in FY2018. Moreover, with the focus on niche generic APIs (especially oncology), this is likely to support future growth.

The overall margins for Marketable Molecules stands at ~33-35%, higher than 28% in FY2015. Vitamin D analogues business continues to account for ~52.6% of total sales, with margins of 38.2% in FY2018. With the focus improvement on the margins, we are aiming to forward integrate the Vitamin D analogue business into development and manufacturing of finished dosage form over the next 12-24 months.

Key Triggers for Marketable Molecules Business:

- Vitamin D analogues picking up with sustained EBITDA margins
- Forward integrating Vitamin D analogues into finished dosage formulation
- Filing DMFs for niche generic APIs
- Focusing on the high margin products within marketable molecules in India

Healthy Balance Sheet and Strong Financials

WE HAVE SUFFICIENT SURPLUS LIQUIDITY IN THE FORM OF SHORT-TERM AND LONG-TERM INVESTMENTS AS WELL AS BANK BALANCES TO MEET UPCOMING LIABILITIES, AN IMPORTANT DETERMINANT OF FINANCIAL HEALTH. GOING FORWARD, AN IMPROVED PRODUCT MIX, CAPACITY UTILISATION, COMMERCIAL MANUFACTURING OF SOME APIs FOR A HIGH-MARGIN PRODUCTS AND FINANCIAL COST SAVINGS WILL FURTHER IMPROVE EBITDA MARGINS.

76%

SHARE OF CRAMS SEGMENT IN TOTAL REVENUE

At Dishman Carbogen Amcis Limited, we are a financially robust and a fully-integrated company, with an excellent growth outlook. During FY2018, we reported significant operating cash levels, which indicates that we put our borrowings and cash accruals into good use.

Our change in strategy to focus on only margin restricted orders helped us improve our EBITDA margins, in spite of taking a dip in the orders. We expect our revenues/ EBITDA/Net Profit to grow over FY2017-20(E) on the back of better utilisation of capacities, increased revenues from high-margin HiPo APIs and Vitamin D analogues. The share of our Marketable Molecules business has been declining from 36% in FY2013 to 24% in FY2018.

Moving ahead, an improved product mix, capacity utilisation, commercial manufacturing of some APIs for a high-margin products and financial cost savings will help us further improve our EBITDA margins.

We project a rise in total sales and earnings CAGRs, driven by a strong CRAMS pipeline and improved MM product mix. The CRAMS segment continues to increase its share from 64% in FY2013 to 76% in FY2018. This along with our focus on highly profitable Vitamin D analogues business is leading to better EBITDA margins which have gained by 265 basis points (bps) over the same period of time. Currently, Dishman has an order book of US$ 130 million for CRAMS segment, out of which Carbogen Amcis order book would account for ~CHF 90 million.

Our Key Strategies in Play

75%

REPEAT CUSTOMERS FROM TOTAL ORDER BOOK

OUR STRATEGIES OF GROWING OUR SHARE OF SMALL AND MID-SIZED PHARMA INNOVATORS AS OUR CUSTOMERS IS HELPING US TO HAVE A DIVERSIFIED CUSTOMER BASE AND NOT BE DEPENDENT UPON A FEW LARGE PHARMA COMPANIES FOR DRIVING OUR GROWTH.

1 Niche molecules under development

In line with our philosophy of working towards development of molecules, to address the huge gap between demand and supply of new chemical entities, we are continuously striving towards adding niche molecules for development. The Company has identified five key therapeutic areas where it will retain its focus on oncology, opthalmics, cardiovascular, CNS and any orphan drug. The Company assesses based on complexity, catering to the society's unmet needs, and if it meets minimum gross margin requirements before undertaking development. One of the keys to success is to add more niche molecules to its product basket, and to keep investing in fixed assets and people.

2 Sale of commercialised molecules

Some of the potentially large new chemical entities, the APIs for which were successfully developed, received approvals from the regulatory authorities over the last 2-3 years. In our experience, we have seen the commercial quantities increase significantly within 3-4 years of the launch. Hence, we expect these molecule sales to ramp up in the next 1-2 years. Moreover, some of the older commercial molecules could also see an increase in demand, and drive up sales of APIs.

3 Rising number of commercial launches

With focus on oncology, cardiovascular, central nervous system, ophthalmology (opthal) and orphan drugs, the possibility of their commercial launch is higher, with a pipeline of over 400 molecules. E have 16 molecules in late Phase III, which leads us to believe that the next 3-4 years look promising for commercial launches. We expect 1-3 products to be commercialised every year, which will accelerate growth and de-risk earnings from block-buster products. This will drive further growth and profitability, and reduce dependence on existing commercial molecules, leading to lower earnings risk.

4 Global demand in oncology

We are focusing on Oncology, one of the most critical therapeutic segments driving global spend in medicines. The segment is projected to grow at 9-12% CAGR over CY2016-21(E). Given the overall pharmaceuticals sales of ~US$ 194 billion at risk from CY2016-22, the segment is seen growing at 12.7% CAGR, considering sales will reach at US$ 192 billion by CY2022.

5 Global footprint to increase access

Our top 5 customers account for ~19-20% of our total business and 75% of our business is from repeat customers. We have received USFDA approval for Bavla, Naroda, Switzerland and Netherlands based facilities. We expect that in due course of time, our Shanghai facility will also undergo USFDA inspection after which it will become an alternate API manufacturing site within the Group.

Our Global Footprints

WE ARE A FULLY INTEGRATED CRAMS PLAYER WITH GLOBAL PHARMA INNOVATORS AND A GLOBAL PRESENCE.

Our Manufacturing Plants:

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

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

Inclusive Growth for All

THE CORPORATE VALUES AT DISHMAN GROUP EPITOMISE OUR VISION TO HELP ACHIEVE INCLUSIVE GROWTH FOR ALL. WE CONTINUE TO DELIVER CONSISTENTLY ON THE EXPECTATIONS AND NEEDS OF OUR WIDER STAKEHOLDER FRATERNITY ACROSS OUR OPERATIONS. WE SEEK TO STRENGTHEN OUR INITIATIVES THROUGH A FOCUS ON PARTNERSHIP, INNOVATION AND IMPACT TO CREATE SUSTAINABLE VALUE FOR THE COMMUNITY AT LARGE.

A Sanitation, Clean Water and Mid-Day Meal

With the children spending long hours in school, the physical environment and cleanliness of the educational facility significantly determines their health and well-being. We provide better sanitation to about 50 schools, with clean water access, better infrastructure, library, sports equipment and mid-day meal shades.

B Quality and Value-based Education and Health & Hygiene

Through a full-time fellowship program with Yuva Unstoppable, we are supporting 15 bright people who are working at the grassroot level to build a foundation for "Unstoppable India". These young people teach the basic curriculum and also inculcate the right values in the students.

C Digital Classrooms for E-Learning

We have developed smart classroom facilities in Government schools, which is increasing the enthusiasm in students about attending school regularly. Also, digital learning benefits all types of learners as the content is presented visually or orally and with differently sized fonts and colours.

Benefits of Digital Learning:

a. Accesses to online methods for better understanding of students

b. Digital medium for notes enable teachers make use of PowerPoint or Word and also directly share the content with students

c. Lessens the worry of School Absentees and they acquire the notes in soft copy from the teacher or a classmate

d. Ease of understanding – Few topics are difficult to be understood with use of words and blackboard. But with smart class, any topic can be explained in an interesting manner.

e. Smart classes make learning fun and enjoyable

f. Improves academic performance by building the base for students

g. Use of e-resources and digital projectors teachers allergic to chalk and markers

128,000

MAN HOURS
PRODUCTIVE MANHOURS SAVED BY TEACHERS/YEAR

D Women Empowerment

We shortlist deserving girl students from Government schools to guide and mentor them for higher studies. With this, we not only empower them, but also make their families realise the importance of having a girl child. This not only makes these girls feel proud, but also provides an inspiration to continue educating girls.

5,348

TOTAL STUDENTS BENEFITED

E Maintenance and Management Program

We run maintenance programs for students and teachers by teaching them the significance of cleanliness. Our supervisors also conduct training sessions on hygiene and menstruation for the girl students at these schools.

Outcome and Impact:

Heads	Before	After
Overall hygiene level with clean toilets, campus and classrooms	40%	89%
Privacy in washrooms (Installation of shades and doors)	28%	88%
Water Test-Clarity	4 NTU	<1 NTU
Water Test-Color	6 Hazen Unit	1 Hazen Unit
Satisfaction with school ambience	38%	89%
Effective utilisation of space with playground, eating area, cooking area, and area to host event)	16%	89%
Attendance	49.5%	78%
Educational benefits through resources	37%	93%
Digital literacy	11%	66%
Sports participation	40.10%	79.35%
Public speaking	26%	45.91%

Management Discussion & Analysis

GLOBAL GROWTH IS EXPECTED TO TICK UP TO 3.9% IN 2018 AND 2019, SUPPORTED BY STRONG MOMENTUM, FAVOURABLE MARKET SENTIMENT, ACCOMMODATIVE FINANCIAL CONDITIONS, AND THE DOMESTIC AND INTERNATIONAL IMPACT OF THE EXPANSIONARY FISCAL POLICY IN THE UNITED STATES.

Economic overview

Global Economy

World growth strengthened in 2017 to 3.8%, with renewed traction in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in the emerging markets of Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9% in 2018 and 2019, supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the Domestic and International impact of the expansionary fiscal policy in the United States.

Once the cyclical upswing and US fiscal stimulus will run their course, prospects for advanced economies will tone down, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018-19 level as the gradual recovery in commodity exporters and a projected increase in India's growth, will offset China's gradual slowdown and emerging Europe's return to its low-rung growth rate. The per-capita growth rate of 40 emerging markets and developing economies are projected to be lower than advanced economies because of the inability to bridge the income gaps vis-à-vis the group of more prosperous countries.

(Source: IMF World Economic Outlook Report, April 2018)

Indian Economy

The Indian economy continues to be the flag-bearer for economic expansion in the global landscape. As per the World Bank, a swift increase in economic activity across lower income groups and the underlying population growth will help India overtake Germany to become the 4th largest by 2020, trailing only the United States, China and Japan. The Government made significant progress on important economic reforms, which will support strong and sustainable growth, going forward. In particular, the implementation of the Goods & Services Tax (GST), will help raise India's medium-term growth by enhancing the efficiency of production and movement of goods

and services across states. The Central Statistics Office (CSO) estimated India's economy to have risen by 6.7% in FY2018, compared with 7.1% in the previous fiscal year of FY2017. Average Consumer Price Inflation (CPI) was 3.6%, compared to 4.5% in the previous year. Assuming a normal monsoon and no major policy reforms, CPI is estimated to remain stable, going forward. However, key risks to the inflation outlook are rising crude oil and other commodity prices.

Looking ahead, India's economic growth seen gathering momentum in FY2019, benefitting from a conducive domestic and global environment. The factors that are expected to aid the economy in achieving stronger growth are effective implementation of GST; improved credit off-take; large resource mobilisation from the primary market strengthening investment activity; and acceleration of global trade growth. In line with a positive economic development outlook, the International Monetary Fund (IMF) has projected India's economic growth to improve to 7.4% in FY2019.

Industry Overview

Global Pharma Sector

Global health is poised to meet a series of key turning points, and changes seen in 2018 will mark the key inflections that drive the outlook for the next five years and beyond. The types of medicines being developed, the way technology contributes to health and how the value of healthcare is calculated are all changing, markedly.

In recent years, concerns about escalating medicine costs have captured significant attention. In 2018, some of the key drivers of medicine spending growth appear to be slowing spending rather than driving it upward. The causes of slowing growth are directly linked to payers' concerns about budgets and to newly emerging mechanisms to adjudicate value and thus limit the potential for out-of-control spending growth.

In 2018, between five and eight Next Generation Biotherapeutics will be approved and launched. Over the next five years, 20% of the 40–45 New Active Substances (NAS) projected to be launched each year will come from this group of drugs. The pipeline of 142 next generation drugs in late-stage research represents just five percent of ongoing late stage research but will be more successful than other areas and will reach the market in large numbers.

As next-generation treatments become more common, health system budget pressures will increase, and payers will likely limit or reject access to these drugs as they impact budgets. How cell- and gene-based therapies and regenerative medicines are priced and how they are paid for will need to evolve to enable predictability for reimbursement agencies (such as governments and private insurers) and to smooth their financial impact.

In 2018, telehealth visits may increase by 15-40% and account for 35 to 42 million visits, nearly double the steady level seen from 2013—2016. By 2022, if the pace of adoption continues to accelerate, as many as 7.5% of visits would be telehealth, while even modest continued growth would see telehealth 50% larger than current levels in five years. In 2018, virtually all large private employers will offer telehealth services to their beneficiaries and begin to offer even larger financial incentives to use them, and many are promoting them with television campaigns. For many larger employers, telemedicine is shifting from a convenience perk for employees to a replacement for some primary care and urgent treatments and is being incentivized with low or no co-pays and a greater focus on the patient experience. Varying sources suggest that telehealth is available to between 40% and 90% of privately insured beneficiaries in the United States, but very few patients currently use these services. Overall, the addressable market of ambulatory visits that could be shifted to a lower-cost venue is approximately 400 million visits per year, which includes ER, urgent care and primary care visits that could be shifted from in-person to telehealth visits.

Source: IQVIA – 2018 & Beyond – Outlook and Turning Points

Global Medicine Spend

In 2018, net brand spending will decline in developed markets by 1-3%. This has the effect of reducing net spending overall on brands in developed markets by approximately US$ 5 billion to a total of US$ 391 billion in 2018. Over the next five years, net brand spending will remain flat, despite the expected entry of new, branded medicines; the overall impact on payers being the same in 2022 for brands as in 2017. The next five years from 2018 to 2022 will see: Patent expiry impact will be 37% larger than the prior five years, including both small molecule and biologics; the peak year of impact is expected to be 2020 when spending on brands that no longer have exclusivity will be reduced by over US$30 billion across the ten developed markets.

New medicines growth will be slower in 2018–2022 than the period from 2013-2017 (see Exhibit 9) but growth from new medicines will still be above the 2008–2012 average. In prior years new drugs accounted for 2-3% of brand spending, with notable exceptions for over nearly 7% in 2015 when new hepatitis C drugs were widely used. From 2018-2022 there will be 40-45 new active substances launched per year and new medicines growth will drive 2.5% to 3.5% of brand spending in developed markets. Net price levels for branded drugs will rise modestly in the United States at 2% to 5% per year but will fall in other developed markets. Volume for existing branded and generic medicines will remain slow, with the ongoing shifts towards newer medicines over time.

Source: IQVIA – 2018 & Beyond – Outlook and Turning Points

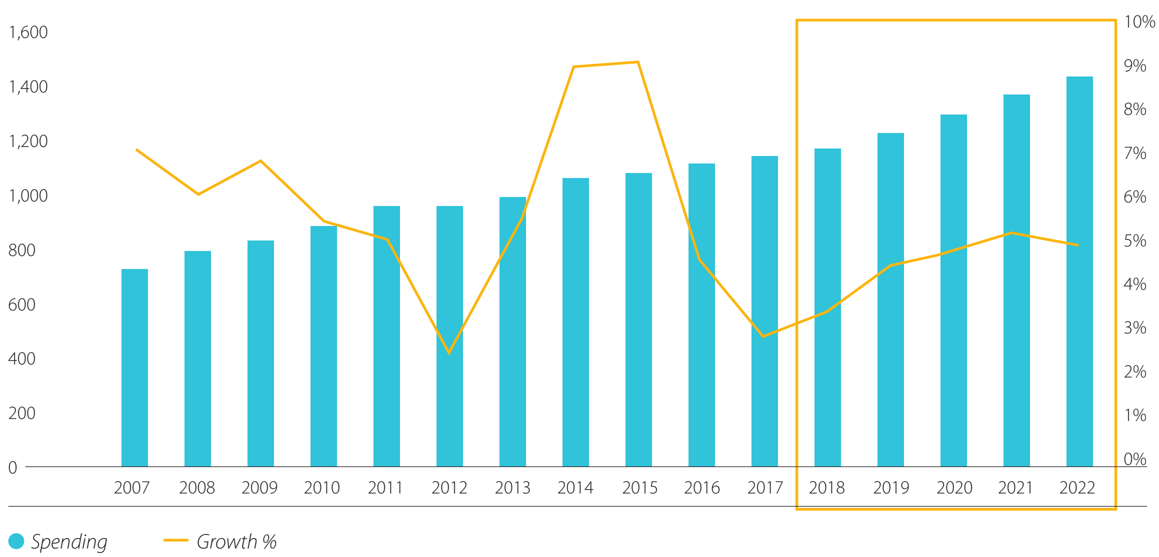
Developed Markets – US & Europe

Medicine spending growth in the U.S. had been slowing steadily since 2001, but rebounded sharply in 2014 and 2015 due to a lower level of patent expiry impact, historically high price increases for both brands and generics and the historic impact of breakthrough cures for Hepatitis C. Hepatitis C treatments alone accounted for

3% of the 12% growth in 2015, but are projected to decline slightly in 2016 and then grow modestly to 2021. In addition to these new breakthroughs, the last 2–3 years have seen a substantially higher level of spending on innovative drugs in other disease areas including cancer, autoimmune diseases, multiple sclerosis (MS) and diabetes. The removal of Hepatitis C as a significant growth driver in 2016, along with the increased level of patent expiry impact, have combined to reduce the growth rate by half.

Source: QuintilesIMS – Outlook for Global Medicines through 2021 – Dec 2017

Specialty Medicines Spending and Growth in Developed Markets



Source: IQVIA Market Prognosis, Sep 2017; IQVIA Institute, Oct 2017

Medicine spending in Europe will increase, at the pre-rebate/discount/list-price level from US$151.8 billion in 2016 to US$ 170–200 billion in 2021. Growth in the region will be 1% to 4% to 2021, as the U.K. grows (pre-rebate) at a rate of 4% to 7%, Italy and Spain grow at 1% to 4%, France tightly controls growth at (–1)–2% and Germany grows at 2% to 5%. Across the countries, 2015 saw the devaluation of the Euro and the British Pound to the U.S. dollar, reducing spending on a U.S. dollar basis by 8.3% from US$ 164.7 billion in 2014 to US$ 151.0 billion, but increasing by 7.7% on a constant US$ basis, which excludes exchange rate effects. The specific devaluation is not tied to nor specifically impacting pharmaceutical usage or spending, however macroeconomic challenges do influence government policies to some extent, especially considering the impact on the value of the British pound to the Euro and other currencies following the BREXIT referendum result.

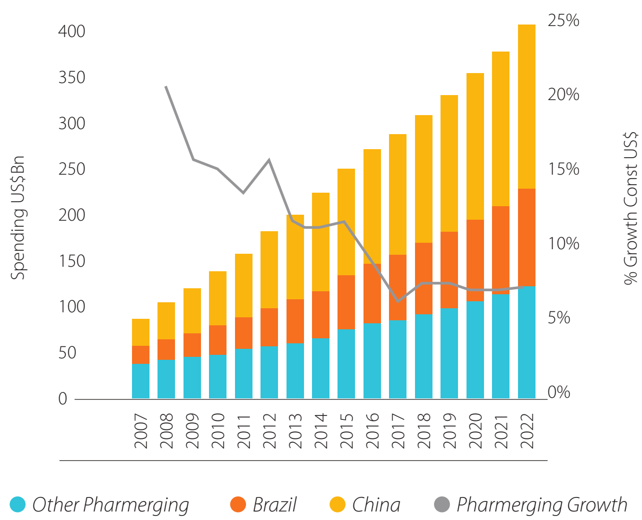
Pharmerging Markets

Pharmerging markets will be driven by volume changes and the use of generics and will grow by 7% to 8% in 2018, down from the 9.7% compound annual growth rate over the prior five years and marking the third year that growth will be less than 10%. The pharmerging markets are projected to grow by 6% to 9% to US$ 345–375 billion by 2022. China is the largest pharmerging country but will grow by only 5% to 8% over the next five years to reach US$145-175 billion in 2022. Decelerating spending growth in China, Brazil, India and Russia mirrors slowing economic growth in these countries; this impacts medicines given high patient out-of-pocket costs. Of importance in China is the new Generics Quality and Efficacy Evaluation guidelines which are intended to drive the registration and development of bioequivalent generics. Currently, off-patent originators account for about 18% of spending in China and estimates range from 50% to 85% of that spending could shift to bioequivalent, locally produced generics within the next five years.

Source: IQVIA – 2018 & Beyond – Outlook and Turning Points

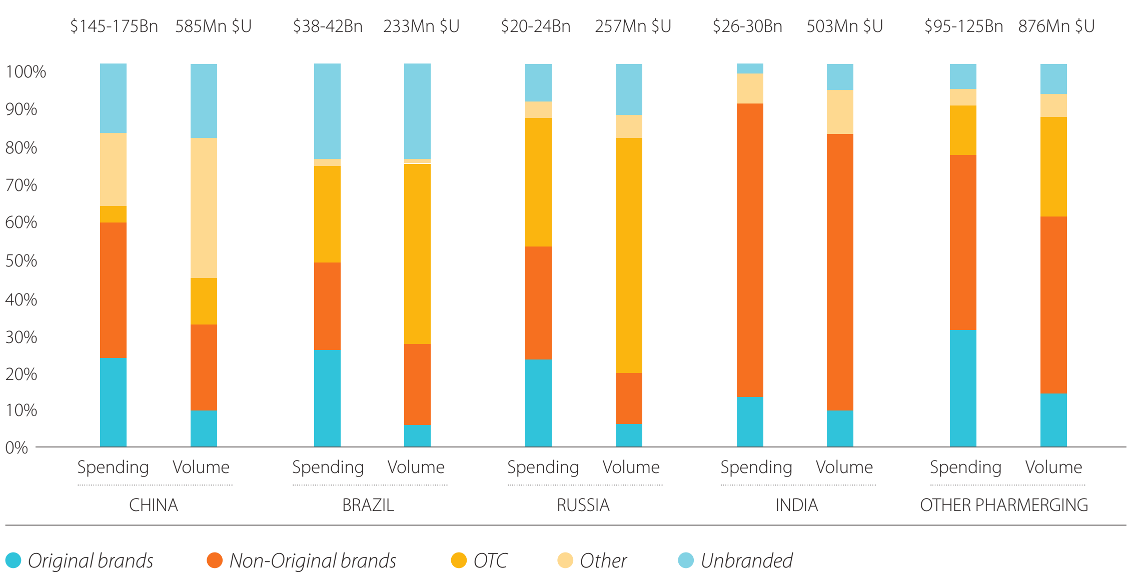
The volume of the use of medicines is projected to increase by a 3% compound annual growth rate globally in the next five years compared to 6% from 2006–11 and 3% from 2011–16. The global volume will have increased from nearly 2.5 trillion doses of medicines (standard units) in 2006 to almost 4 trillion doses in 2016 with ¾ of that growth from pharmerging markets. The rest of the world

Pharmerging Spending and Growth



Source: IQVIA Market Prognosis, Sep 2017

Pharmerging Medicine Spending and Volume by Type, 2022



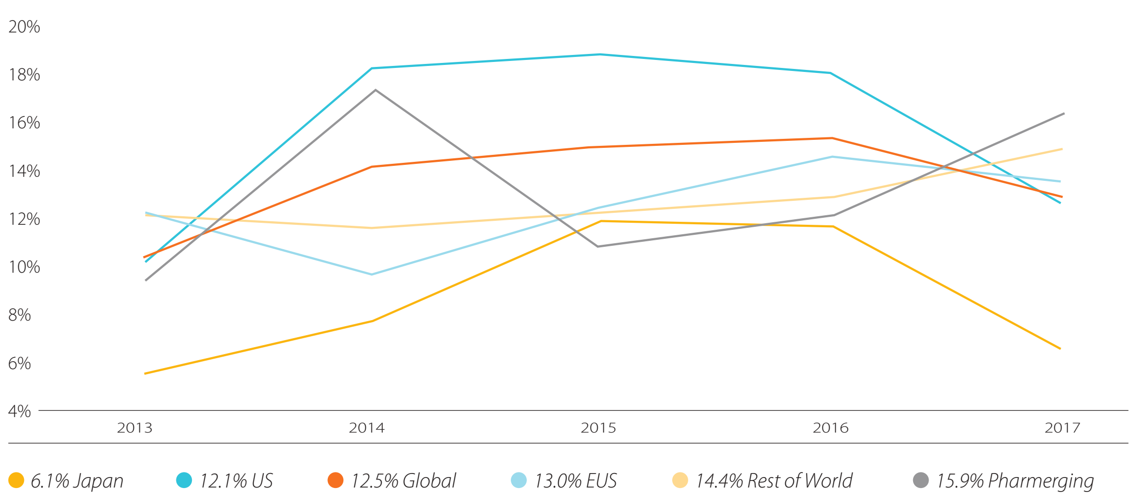
Source: IQVIA Market Prognosis, Sep 2017; IQVIA Institute, Oct 2017 in aggregate, including developed countries and 190 other countries around the world, will see essentially unchanged per capita rates of medicine usage over the next five years. Pharmerging markets will continue to expand access and usage of medicines at a rate of approximately 4% per year compared to a projected population growth rate of 0.8%.

Oncology

More than 700 cancer drugs are in late-stage development – up over 60% from a decade ago. Over one-third of trials are using biomarkers to stratify patients, pointing to even more personalised (and effective) cancer treatments in the future. The pipeline of immunotherapies is particularly active and includes almost 300 molecules with 60 separate mechanisms being evaluated in Phase 1 or Phase 2 clinical trials, which is a significant jump from the four mechanisms of such drugs in Phase 3 trials or under regulatory review. These immunotherapy trials are being conducted across 34 different tumour types, indicating the broad-based application of this new approach to cancer treatment.

In pharmaceuticals, the rise of immuno-oncology, cell and gene therapies are generating significant early clinical results, while other small molecule mechanisms such as RNA interference (RNAi), and inhibitors of dozens of other pathways with small molecule drugs are in development and show promise. In medical technology, surgical robots, 3D bio-printing of tissues and improved medical imaging all promise to enhance cancer care, though how widely adopted they will become remains unclear. The exploding volumes of real-world data shows the prospect of finding expanded use in regulatory submissions, better tracking patients with open cancer registries, and enabling artificial intelligence to help with diagnosis, treatment selection, and even drug discovery. The global market for oncology therapeutic medicines will reach as much as US$ 200 billion by 2022, averaging 10% to 13% growth over the next five years, with the U.S. market reaching as much as US$ 100 billion by 2022, averaging 12% to 15% growth.

Growth Rate for Global Oncology Therapeutic Medicines Spending



Source: IQVIA, MIDAS, Dec 2017

Outlook for Oncology

- Advances in technology and the use of information will act as driving forces that will impact oncology treatment and costs over the next decade. Mobile cancer apps are already available and being used by patients across a wide number of cancer types, albeit in small numbers.
- Cancer apps are being used across the patient journey from prevention to survivor support. Apps are also being incorporated into clinical trials as an adjunct to other interventions, or for validation purposes.
- Limited efficacy evidence has been published to date from clinical trials incorporating digital health tools in oncology, but 15 studies published in 2017 showed positive impact across a range of uses.
- The growing availability of real-world evidence will result in a growing number of uses as all stakeholders look to improve their decision-making in the appropriate use of oncology medicines and management of costs.
- The global market for oncology therapeutic medicines will reach as much as US$ 200 billion by 2022, averaging 10-13% growth over the next five years, with the U.S. market reaching as much as US$100 billion by 2022, averaging 12-15% growth.

Contract Research & Manufacturing Services

Global CRAMS Market

The global pharmaceutical and bio-pharmaceutical CRAMS market has been growing year on year, with an increasing emphasis on generic alternatives from developed countries. Global pharmaceutical companies are focusing on marketing and discovery, and are outsourcing drug development, clinical trials and manufacturing. Contract services such as manufacturing and research are advantageous to both parties as they provide the supplier with financial stability for the duration of the contract. They also provide the benefit of cost savings, time saved in operating and managing a production facility. Branded

THE GLOBAL MARKET FOR ONCOLOGY THERAPEUTIC MEDICINES WILL REACH AS MUCH AS $200 BILLION BY 2022, AVERAGING 10-13% GROWTH OVER THE NEXT FIVE YEARS, WITH THE U.S. MARKET REACHING AS MUCH AS $100 BILLION BY 2022, AVERAGING 12–15% GROWTH.

drugs worth ~US$ 105 billion in annual sales in US are expected to come off patent until CY2020. Due to many drugs going off-patent, the top-line growth of pharma companies is expected to come from generic drugs than from patented ones. Hence, pharma companies would be expected to enhance the allocation to R&D to increase the drug pipeline.

Outsourcing in Pharma Sector

Outsourcing has become a viable and beneficial business strategy that is enabling firms to transfer non-core activities to external partners. This helps restructure their distribution networks, leverage resources, spread risk and focus on issues imperative to their survival, competitive advantage and future growth. Out-sourcing is also important in overcoming trade barriers and is used to gain entry into a foreign market. Increasing price and cost pressures and patent expiries are leading to shrinking margins in the pharmaceutical industry.

Indian CRAMs Market

The Indian Contract Research and Manufacturing Services (CRAMS) players are expected to register strong growth rate of 18% to 20% CAGR to touch US$ 18 billion size by 2018, more than double of US$ 7.6-7.8 billion in 2013. This would be achieved on the back of recovery in the US market and US$ 85 billion off-patent drug opportunity by 2020, according to a report by Care Ratings. 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. 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 US.

The rise of Indian drug and pharmaceutical industry IDPI in the world pharmaceutical map can be ascribed to the move from product to process patent after 1970. The cutting-edge cost advantage has already resulted in more than 50% of the revenue of Indian Pharmaceutical industry coming from overseas markets. Added to that, innovation in functional distribution and marketing has given a new dimension to the shared services model in India.

Why is India the preferred place for Contract Manufacturing:

- Rising cost of research in developed markets
- Increase in number of drugs going off-patent
- Preference to Indian players due to large generic mix
- Availability of English-speaking, low-cost and highly-skilled professionals

Key Growth Drivers for Contract Manufacturing in India:

- Dwindling profit margins in highly competitive global pharma marketplace
- Growing demand for generic drugs; patent expiration of major therapeutic brands
- Demand for up-to-date processes
- Need for high-quality R&D facilities and cost-effective production technologies
- Government initiatives in healthcare sector
- Innovation in biologics and high potency API Escalation in incidence and rate of growth of diabetes, cancer, cardiovascular diseases and psychological illnesses

Growth in Indian CRAMs Industry

The growth in the API market is driven by several factors such as: the increase in development of biological APIs increase in demand for API packaging, upsurge in demand for abbreviated new drug applications (ANDA) and rise in drug master files (DMF) from Indian companies. Also, API packaging is significantly revenue-generating sub-segment. An important observation here is that even though captive manufacturers are currently leading the API market, they are expected to eventually partner with contract manufacturers to overcome the challenges of complex and costly in-house API manufacturing and increasing competition.

WE OFFER A GLOBALLY COMPETITIVE AND COST-EFFECTIVE INTEGRATED PRODUCT MIX OF HIGH-TECHNOLOGY SERVICES, HIGH-END RESEARCH AND PRODUCTION FACILITIES AND INNOVATIVE BIOLOGICS.

India, along with Brazil & China, has earned a place for itself as a top generic pharma player in the export market to the developed western countries by producing and supplying superior quality pharmaceuticals that come with reasonable pricing. The Indian Pharma industry has shown tremendous progress on several indices such as infrastructure, technology, product range, GMP (Good Manufacturing Practices), regulation compliant manufacturing facilities. Also, the high-quality standards of purity; stability and international safety; health and environmental protection under which bulk active ingredients are manufactured and supplied by Indian Pharmaceutical companies ensure that they will pass through several rounds of stringent assessment by various regulatory authorities in the importing countries of buyer companies. Aggressively pursuing overseas market expansion, Indian Pharma companies are now seeking regulatory approvals in US in specialised segments such as anti-infectives, cardiovascular and CNS group.

Challenges to Indian CRAMs Industry

The global CRAMS industry faces multiple challenges. Regulation of drug manufacture and its processes and practices is carried out by the respective Food and Drug Administration Departments at the state level. Due to lack of a unified single Central authority, the enforcement of laws tends to vary from state to state. Such a regulatory framework is inconsistent with the long-term goals of enforcing Good Manufacturing Practices (GMP). Moreover there is requirement of qualified medical professionals for research into diseases and sub-sectors such as biomedicals. The 12th Five Year Plan has mentioned the need to have qualified medical professionals for research into new diseases, cheaper drugs and emerging sub-sectors such as bio-medicals. The Planning Commission's Working Group on Drugs and Pharmaceuticals has proposed setting up of six new National Institutes of Pharmaceutical Education and Research to meet the growing demand.

Indian Pharmaceutical Industry

The Indian Pharma industry poised to grow to US$ 100 billion by 2025 has unfailingly been on a strong growth trajectory for many years now. The outlook for the next five-year period remains extremely positive especially in the bulk exports of generics or off-patent products. This is good news specifically for Indian Pharma CRAMS. The sub-sector has already earned a well-deserved position in the global Pharma manufacturing space by offering a globally competitive and cost-effective integrated product mix of high-technology services, high-end research and production facilities and innovative biologics, can maximise the opportunity. Indian Pharma companies must seize the opportunity in outpacing its cut-throat rivals and become the largest Pharma player in the world from its current share of roughly 2.5%. It is now time for the Indian model to become the global benchmark. This will not only help realise the ambitious target of US$ 100 billion worldwide by 2025, but also ensure a big piece of a pie for Indian pharma pie. The pharmaceutical business is driven by research and development; the financial viability and sustenance is driven by cost advantage; and the growth is driven by a good blend of systems, processes and procedures which are the result of continuous monitoring and human involvement.

Source: International Journal of Pharmaceutical Sciences Review and Research

Business Overview

About Dishman Carbogen Amcis Limited

The Dishman Group is a global and integrated CRAMS player with strong capabilities across the value chain – from process research and development to late-stage clinical and commercial manufacturing. Dishman Carbogen Amcis Limited, the flagship company, includes its Indian and foreign subsidiaries, joint ventures and associate companies across the globe. We are the preferred global outsourcing partner present across multiple continents and countries, including the United States, Switzerland, UK, France, Netherlands, China, Japan, Middle-East and India. We service customers from all the key advanced markets including US, Europe and Asia.

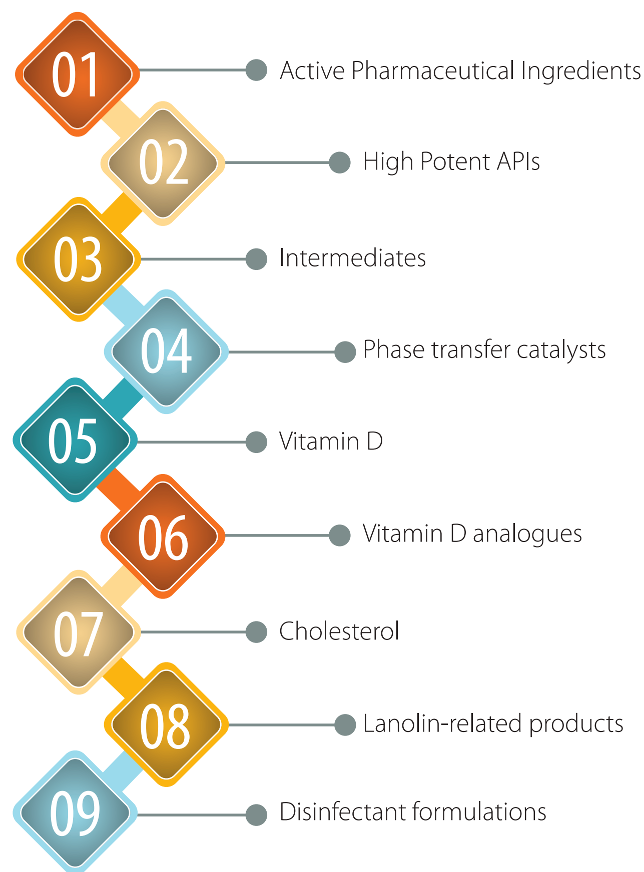
We are equipped with strong chemistry skills and large-scale multi-purpose manufacturing capacities. We have a wide range of research competencies and 9 manufacturing capacities and a global presence with manufacturing sites in Europe, India and China. Of these, 4 are in Switzerland; 2 in India; and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

We started out as a manufacturer of quaternary ammonium and phosphate compounds, and soon became one of the fastest-expanding companies in the CRAMS space in India. We ventured into the CRAMS business with a contract to develop and manufacture an Active Pharmaceutical Ingredient for the innovator. We were one of the first companies in India to bring a new chemical entity into India for successful development and commercial manufacturing. Since then, we have entered into multiple contracts with innovator companies. Our growth by way of acquisitions over the last 13 years has yielded us rich dividends in terms of the exceptional talent pool and unparalleled operational excellence.

Our Key Segments

Our key segments include CRAMS (Contract Research and Manufacturing Services) and Marketable Molecules. The CRAMs segment is further broken down into Contract Research Services and Contract Manufacturing Services, which we offer to our customers.

Our Product Portfolio



ALL OUR FACILITIES OPERATE UNDER CURRENT GOOD MANUFACTURING PRACTICES (CGMP) AND CAN PRODUCE MATERIAL FOR PRECLINICAL TESTING, CLINICAL TRIALS AND COMMERCIAL USE.

Our Business Verticals

1. CONTRACT RESEARCH AND MANUFACTURING SERVICES (CRAMS)

Our principal line of business is Contract Research and Manufacturing Services (CRAMS). 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 segment manufactures drug quantities required for conducting clinical trials.

Once the innovative molecules are approved, this segment explores the possibility of possible large-scale commercial supply tie-ups. We provide end-to-end high-value CRAMS offerings right from process research and development to late-stage clinical and commercial manufacturing. CRAMS segment contributes nearly 76% to our total revenues. With an expanded capacity in place, we are strongly placed to benefit from a strong growth in the global CRAMS industry.

a. *Carbogen Amcis*

Carbogen Amcis is a leading service provider, offering a portfolio of drug development and commercialisation services to the pharmaceutical and biopharmaceutical industries at all stages of drug development. Our integrated services for Drug Substances (DS) and Drug Products (DP) provide innovative solutions to support timely and safe drug development. Custom synthesis operations within the Dishman Group include the two facilities in India and the Netherlands, as well as the seven facilities under the Carbogen Amcis brand: four in Switzerland, one in the UK, one in China, and one in France.

Carbogen Amcis provides services for the development and manufacturing of highly potent drug substances (APIs) and drug products applying state-of-the-art containment technologies. All facilities operate under current Good Manufacturing Practices (cGMP) and can produce material for preclinical testing, clinical trials and commercial use. Our manufacturing sites are regularly inspected by the US Food and Drug Administration (FDA) and local regulatory authorities. The large-scale production capacities (up to 8,000 L) allow the efficient production of non-GMP intermediates that can be further processed at the Carbogen Amcis Swiss facilities. Our site in Riom (France) offers aseptic cGMP manufacturing for liquid or freeze-dried products including for complex process or products such as drug delivery, highly potent and antibody drug conjugates (ADC). A wide range of filling volumes and packaging components (vials or syringes) could be applied to support pre-clinical and clinical studies all over the world. Formulation, process development and upscaling services for liquid and freeze-dried products are also part of our service offering.

We are fully committed to managing the risks associated with handling and producing highly potent and/or toxic materials. Safety and quality considerations encompass our personnel, our customers and patients using the materials we produce, as well as the environment. We are dedicated to maintaining and improving safety, environmental and health standards above and beyond the standard legal requirements. This remains the responsibility of both our management and individual employees. All processes follow our "protection cascade" of four increasing levels of containment technology systems and procedures, ensuring that worker safety and product quality are never compromised.

We have successfully managed numerous drug-linker projects. Since the first ADC project in 2005, many customers, ranging from small biotech to large pharmaceutical companies, expressed a growing interest in our ADC and bio- conjugation abilities. We have handled projects from payload/warhead manufacture to drug-linker, then to conjugation and final drug product all in house. Our clean room suites are fully qualified for cGMP manufacturing dedicated to bioconjugation. This is in conjunction with our state-of-the-art purification technologies and exceptional analytical/fill-and-finish capabilities. We are currently working on about nine ADC projects across Phase II and Phase III development phases and this healthy pipeline of such niche products speaks volumes about our technical know-how and R&D expertise.

b. *Dishman India*

Dishman is a global outsourcing partner for the pharmaceutical industry offering a portfolio of development, scale-up and manufacturing services. Dishman improves its customers businesses by providing a range of development and manufacturing solutions at locations in Europe and India. Our commitment is to deliver high added value solutions with technical excellence and to be a reliable partner to our customers, protecting their interests as if they were our own.

Dishman offers Process R&D with a specialisation in developing processes that are truly scalable through to commercialisation, be this through process research, process development or optimisation. We have a scientist pool of 200 people operating in continuous three shifts on a daily basis in state-of-the-art dedicated R&D centres. Our promise is safe, efficient scale-up and problem solving delivering robust, economic processes. Dishman enforces strict IP protection policies. We protect our customers' interests as if they were our own.

2. 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 high-purity solid Quats, Phosphoranes and

WE ARE THE MARKET LEADERS IN THE ADVANCED AND REGULATED VITAMIN D MARKET. OUR FOCUS HAS BEEN TO INCREASE OUR VITAMINS BUSINESS BY WAY OF FORWARD INTEGRATION.

Wittig reagents. We have also gained expertise in providing tailor-made solutions.

b. *Vitamins and Chemicals*

Dishman Vitamins & Chemicals manufactures and supplies a range of Vitamin D 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 had to make significant changes to the business strategy over the last 5-6 years, due to which the profitability at this subsidiary has increased many-folds. We are the market leaders in the advanced regulated markets in the Vitamin D space. Our focus has been to increase our Vitamins business by way of forward integration at our Vitamin D facility in India. We are in the process of commencing operations in this segment in India, which will add value to our Vitamin D business.

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

1. CAPABILITIES ACROSS THE CRAMS VALUE CHAIN

TToday, the Dishman and Carbogen Amcis brands are perceived by global customers as a preferred global outsourcing partners 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 multiple dedicated production facilities for APIs and intermediates.

Our Presence along the Value Chain:

01 — Building Blocks

02 — Commercialisation

03 — Launch Stage

2. HIGH POTENCY API CAPABILITY

The Dishman Group has invested in world class capabilities to address the Anti-Body Conjugates (ADC) market. Coupled with 14 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. Our containment facilities are designed based on a containment concept utilising barrier isolation technology and Rapid Transfer Ports (RTPs) as well as a strict zone concept with pressure

cascades, airlocks and access controls. This allows the safe handling of highly potent compounds including cytotoxics. We offer services starting from laboratory scale for process research and development purposes up to large scale manufacturing in 1'600 L vessels. To support the API development process through all stages, a variety of high containment analytical and purification capabilities complements the chemistry service portfolio.

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.

3. SCIENTIFIC ADVANCEMENTS

Successful drug development is a balance between speed, quality and costs. We aim to offer our customers a choice of state-of-the-art tools combined with qualified and experienced staff to best meet these often-changing priorities. Carbogen Amcis has built up a portfolio of specialist services to give customers the highest degree of flexibility possible.

Chromatography - Chromatography often forms part of a fast route to producing initial quantities of material. We offer customised chromatography solutions for the separation and purification of APIs and intermediates, including highly active APIs and impurity isolation. Our dedicated group of chemists have more than 50 years' experience in the group expertise in method development and scale-up in a variety of different chromatographic techniques, all in accordance with current Good Manufacturing Practice (cGMP) environment. Cost-effective large-scale chromatography is also possible given the correct infrastructure. Carbogen Amcis offers Flash Chromatography (Biotage), SMB and HPLC to effectively produce clinical trial quantities of APIs and commercial products.

Crystallisation Services - Defining the best crystalline form of an Active Pharmaceutical Ingredient (API) is crucial in drug development, since it has a significant impact on its bioavailability and formulation properties. Carbogen Amcis has established a service supporting our customers with crystallisation investigations including solubility tests, salt screening, and optimisation of the crystallisation process and the solid/liquid separation in the API isolation process. Polymorphism screening complements the service portfolio. We offer online monitoring of critical parameters such as particle size, turbidity, temperature, and pH value, as well as analytical services dedicated to solid phase characterisation including hot stage microscopy, differential scanning calorimetry, Dynamic Vapor Sorption (DVS) and x-ray powder diffraction.

4. LEADING MANUFACTURING FACILITIES

Our state-of-the-art infrastructure includes process research and development (PR&D) laboratories and, one laboratory dedicated to conjugation of small and large molecules and manufacturing capabilities.

WE ARE A ONE-STOP SHOP FOR THE DEVELOPMENT AND MANUFACTURING OF APIs FOR ALL TYPES OF MOLECULES. OUR HIPO CAPABILITIES DIFFERENTIATE US FROM OUR PEERS.

Carbogen Amcis delivers leading process research services that support the drug development process. Early Active Pharmaceutical Ingredient (API) manufacture centers on the rapid synthesis of supplies necessary to perform both toxicology and early phase clinical trials. Typical batch sizes here range from 1 gram to 50 kg scale and are prepared in the highest standard of current Good Manufacturing Practices (cGMP).

We internally optimise each site with all the equipment necessary to help your project to become a success. We provide unparalleled analytical support for research, development and commercial production of late stage intermediates and APIs, including pre-formulation studies to support drug product development. In addition to pre-formulation services, solid state and crystallisation services, and analytical support for physicochemical characterisation and method validation, Carbogen Amcis offers a complete range of drug product development and manufacturing services at our Riom site in France. Our specialty is the injectable space and the handling of complex compounds such as highly potent APIs, biological products and drug delivery. This site is exclusively dedicated to the development and the cGMP manufacturing to the fast supply of batches for clinical studies.

Carbogen Amcis utilises the Shanghai manufacturing facility for manufacturing the intermediates for the final API, which gets manufactured in the Swiss facility. This facility is also cGMP approved and the plan is to make it equipped to manufacture the final API as well, which would act as a good alternate manufacturing site for the APIs manufacturing. Carbogen Amcis utilises its UK facility as the one for manufacturing non-GMP intermediates and starting material, which again feeds into the Swiss facility for manufacturing the final API or gets shipped to the customer.

Dishman Carbogen Amcis facilities in India provide the group the large-scale development and manufacturing capabilities, which ensures that the customer does not have to move outside of the Dishman group to get the large volume products developed and manufactured. Thus, the group acts like a one-stop shop for the development and manufacturing of APIs for all types of molecules. Moreover, the HiPo capabilities are unique to the group and differentiates it from its peers.

Key Operational Highlights of FY2018:

- Improved capacity utilisation at manufacturing facilities by focussing more on small and mid-sized global biotech companies.
- Efficient utilisation of the installed capacity in the HiPo facility, besides other facilities in India and China. Diversified across new geographies, besides increasing penetration in the US market and leveraging cross-selling opportunities.
- Churned existing capacities better by focussing more on low-volume, high-value orders.
- Earned incremental revenues from HiPo business with significantly higher gross contribution.
- Improved margins with value-added order execution from Vitamin D analogues facility at Netherlands.

Management Outlook

Having commenced operations as a quats manufacturer, we later transformed ourselves into an integrated CRAMS player. We are present across the value chain from building blocks to commercialisation and launch stage. We also have an established global presence with manufacturing sites in Europe, India, China and Saudi Arabia. Our HPAPI facility at Bavla, Ahmedabad is one of the largest in the world and has placed us at the forefront to gain from the high-margin oncology opportunity. Today, we have a robust pipeline of early and late phase 3 molecules across Carbogen Amcis and the Indian facilities.

There is no major capex planned for the next few years, with ~76% of the portfolio geared towards higher-end API supplies. With this, we foresee an improvement in our profitability and higher free cash flows which will improve the return ratios. Vitamin D3, bulk drugs, generic APIs and disinfectants account for the balance ~34%. Our key focus in Vitamin D3 is more on quality. Opertaional cost and interest cost savings are expected to drive earnings CAGR over the next few years. Scalability of HiPo facility and approvals from regulatory authorities is expected to result in better profitability.

Key Strategies for Future Sustainable Growth

- To improve margins with effective capacity utilisation and high-margin revenues from oncology, CVS, CNS, ophthalmic and orphan drugs segment.
- To improve asset turnover, reduce net leverage and improve return ratios.

Research & Development

Globally, Dishman has a strong R&D team and has over 450 projects across various stages of developments, with more than 550 scientists ranging from 50 Doctorates as Senior Scientists and 200 Scientists. The team is working across development project for NCEs as well as generic APIs (new niche therapeutic areas like MRI contrast reagent APIs, Vitamin analogues (3 under development and 3 under future planning), steroids, anticancer, antineoplastic drugs, anti-diabetic, anti-tuberculosis, antihypertensive, antiviral, antiseptic and ophthalmic drugs), including HiPo API & NCEs and HiPo generic. During the years, Dishman Group has acquired newer and sophisticated analytical instruments instrumental for doing complex and high-cost research projects in steroids and oncology drugs.

Financial Overview

Business Highlights (Consolidated)

(₹ in Crore)

Particulars	FY2018	FY2017	Growth (%)
Net Sales & Operating Income	1,694.79	1,713.69	-1.10%
Other Income	45.69	26.13	74.86%
Total Income	1,740.48	1,739.82	0.04%
EBITDA (without Other Income)	445.35	453.35	-1.76%
Depreciation	211.42	213.51	-0.98%
PBIT	279.62	265.1	5.48%
Interest & other Finance charges	48.83	49.01	-0.37%
Profit Before Tax	230.79	216.09	6.80%
Tax Expense	76.22	70.66	7.87%
Profit after Tax	154.57	145.43	6.28%
Cash Profit	389.60	299.40	30%

During the year the operating income was ₹ 1,694.79 crore compared to ₹ 1,713.69 crore in the previous year. CRAMS segment registered a turnover of ₹ 1,293.69 crore compared to ₹ 1,259.60 crore during the previous year. Others segment which includes bulk drugs, intermediates, Vitamin D, Quats and speciality chemicals and outsourced/ traded goods registered a revenue of ₹ 401.10 crore.

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 niche molecules. Our wholly owned subsidiary Carbogen Amcis located in Switzerland is spearheading our R&D efforts. Around 1,295.39 crore of our consolidated turnover is generated from CRAMS segment.

Other segment (which includes bulk drugs, intermediates, Vitamin D, speciality chemicals and outsourced/trade goods) contributed around ₹ 401.10 crore of consolidated turnover in 2017-2018. Out of ₹ 1,694.79 crore (previous year ₹ 1,713.69 crore) sales, Carbogen Amcis has accounted for sales of ₹ 973.33 crore (previous year ₹ 912.05 crore), Vitamin D and speciality chemicals business has accounted for sales of ₹ 196.26 crore (previous year ₹ 241.43 crore) and Carbogen UK Ltd. accounted for sales of ₹ 49.55 crore (previous year ₹ 48.92 crore). Remaining sales of ₹ 433.57 crore (previous year ₹ 423.75 crore) was accounted by DPCL and its trading subsidiaries.

Material Costs

- Raw material consumption for the year was ₹ 336.93 crore, as against ₹ 329.30 crore in the previous year.
- Inventory of raw materials decreased by ₹ 7.27 crore during the year.
- Work in process increased by ₹ 78.41 crore and finished goods decreased by ₹ 13.15 crore, respectively.

Manufacturing Expenses

- Manufacturing expenses mainly comprise Power & Fuel ₹ 48.67 crore and Repairs & Maintenance ₹. 62.98 crore. This was against ₹ 49.47 crore and ₹ 70.44 crore, respectively, in the previous year.
- Our Manufacturing Expenses accounted for 7.64% of sales during the year, as against 8.26% 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 ₹ 155.09 crore as against ₹ 193.48 crore during the previous year. These expenses accounted for 8.03% sales during the year, as against 11.29% during the previous year.

Employee Emoluments

- Employee emoluments (other than managerial remuneration) increased to ₹ 625.40 crore during the year, as against ₹ 596.02 crore during the previous year.

Interest and Finance Charges

- Interest and Finance charges during the year decreased to ₹ 48.83 crore, as against ₹ 49.01 crore during the previous year.

Depreciation

- Depreciation charges for the current year amounted to ₹ 122.96 crore, as against ₹ 120.95 crore during the previous year.
- Total Amortisation charges for the current year stood at ₹ 92.88 crore, similar to ₹ 92.39 crore in the previous year.
- Addition to fixed assets during the year was ₹ 239.57 crore, as against ₹ 155.08 crore during the previous year.

Provision for Tax

- ₹ 76.21 crore (net of MAT entitlement) was provided during the year towards current tax, as against ₹ 70.65 crore during the previous year. The Company has provided provision for deferred tax of ₹ 27.50 crore during the year, as against deferred tax expense of ₹ 15.25 crore during the previous year.

Profit After Tax

- Net Profit after Tax for the current year was ₹ 154.56 crore, as against ₹ 145.43 crore during the previous year.
- Cash Profit After Tax for the current year was ₹ 389.60 crore, as against ₹ 299.40 crore in the previous year.

Earnings Per Share

- Basic Earnings Per Share for the current year works out to ₹ 9.58, as against ₹ 9.01 during the previous year.
- Cash Earnings Per Share for the current year works out to ₹ 24.0, as against ₹ 18.5 in the previous year.

Financial Condition

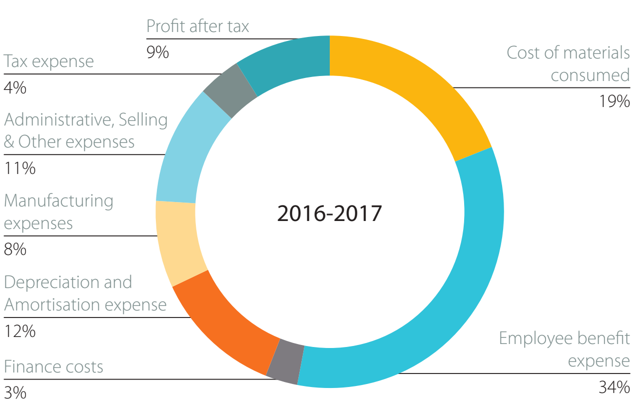
(i) Secured Loans:

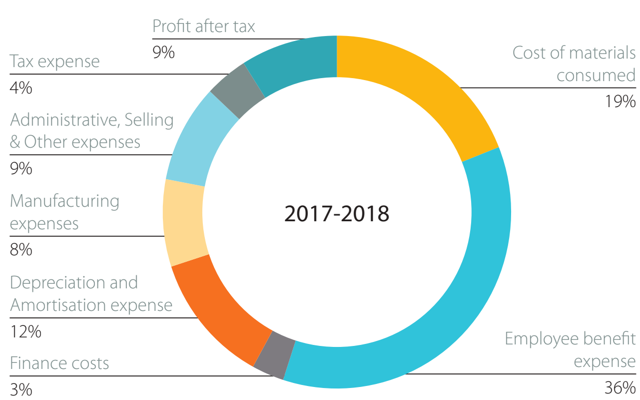
Secured loans stood at ₹ 939.95 crore as at March 31, 2018, as against ₹ 812.36 crore as at March 31, 2017

(ii) Unsecured Loans:

Unsecured loans as on March 31, 2018 were at ₹ 154.87 crore, as against ₹ 137.35 crore as on March 31, 2017.

Composition of Expenses & Profit (% to Consolidated Revenue)





OUR CRAMS BUSINESS INVOLVES SIGNIFICANT R&D EFFORTS TO DEVELOP NICHE MOLECULES. CARBOGEN AMCIS IN SWITZERLAND IS SPEARHEADING OUR R&D EFFORTS.

(iii) Liquid Investments as of March 31,2018 are as under.

(₹ in Crore)

Particulars	March 31st, 2018	March 31st, 2017
Non-Current	55.99	-
Current	94.35	-
Total	**150.34**	**-**

(iv) Inventories:

Major items of inventories as of March 31, 2018 are as under:

(₹ in Crore)

Particulars	2017-18	2016-17
Raw materials	89.08	96.35
Work in process	272.05	193.64
Finished Goods	123.43	136.58

(v) Debtors:

Debtors as of March 31, 2018 amounted to ₹ 444.40 crore, as against ₹ 285.55 crore during the previous year

(vi) Cash & Bank Balance:

Cash and Bank Balance as on March 31, 2018 is ₹ 69.06 crore, as against ₹ 87.39 crore as on March 31, 2017.

(vii) Creditors:

Creditors as of March 31, 2018 is ₹ 185.92 crore as compared to ₹ 85.64 crore as at March 31, 2017.

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, Vitamin D, 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 Crore)

Product Segment	March 31st, 2016	March 31st, 2017	March 31st, 2018
CRAMS	1,142.49	1,259.60	1,293.69
Others	459.20	454.08	401.10
Total	**1,601.69**	**1,713.68**	**1,694.79**

Internal Control Systems

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

Risk Management

Global operations and product development for regulated markets pose significant challenges and risks for the organisation. Such risks, if not identified and addressed properly in a timely manner could adversely impact accomplishment of the overall objectives of the organisation and its sustainability. An effective risk management framework enhances the organisation's ability to proactively address its risks and opportunities by determining a risk mitigation strategy and monitoring its progress on continuous basis. Our Enterprise Risk Management (ERM) framework encompasses practices relating to identification, assessment, monitoring and mitigating of various risks to key business objectives. ERM at Dishman seeks to minimise adverse impact of risks on our key business objectives and enable the Company to leverage the market opportunity effectively.

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

Opportunities & Threats

Most of the innovator companies are facing challenge of depleting research pipeline and losing patent protection for their blockbuster drugs in the next few years. The new drug discovery process is also becoming more difficult with reducing success probabilities and increasing research and development costs. This has opened up opportunities to CRAMS players from low cost destinations like India. Dishman has identified this opportunity very early and started working with innovators with customs synthesis projects and contract manufacturing of APIs,

MOST OF THE RECENT INNOVATION IN NMEs IS FROM "SMALL TO MID-SIZED" BIO-PHARMACEUTICAL ORGANISATIONS. THIS HAS CHANGED THE DYNAMICS OF THE BUSINESS, AS LARGE PHARMACEUTICAL PLAYERS ARE INCREASINGLY BECOMING MAINLY MARKETING AND "FINISHED DOSE FORM" ORGANISATIONS.

which result into overall growth in turnover. In view of the huge potential the CRAMS segment offers to Indian companies, many of the big pharmaceutical companies in India started exploring opportunities for a share in CRAMS segment with big investments. This may result in increased competition in the long run. However, with the research and innovation capabilities that Dishman has developed over the years across the globe, the technical know-how is unparalleled. 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 is from "small to mid-sized" bio-pharmaceutical organisations. This has changed the dynamics of this business, as large pharmaceutical players are increasingly becoming mainly marketing and "finished dose form" organisations. The Company believes that it can manufacture various APIs/intermediates and speciality chemicals of best quality at a low cost. Many of innovator companies are outsourcing their products to our Company. Recognising this opportunity, the Company continued to take initiatives in reducing its costs by employing lean manufacturing techniques & resource management initiatives and broadening the product base.

Information Technology

Dishman is making significant investments on the digital reinvention platform in partnership with IBM in India and across all subsidiaries. The goal is to make all business processes as much automated as possible thus increasing the efficiency and accuracy of all processes. Dishman has developed a framework to harness the opportunities presented by prevalence of new-age digital technologies, and transform to become a digitally savvy pharmaceutical company. Various technologies as well as platforms have been piloted to deploy the agenda so that a better and integrated experience can be delivered to our partners and clients. We focus on Data Analytics to drive agile business decisions, automation for business processes, innovation through digital business models, and Consumer Engagement to listen, reach out and engage with our customers. In analytics and automation, the Company's strategy has been to capitalise on the latest advancements in technology for improving the business performance. We are targeting at deepening the initiatives along the

digital consumer engagement to enhance the Company's automation in its manufacturing plants and scaling it up year after year.

Industrial Relations and Human Resource Management

The Company has continued with its drive to institutionalise and upgrade its HR processes. The diversified skill sets of our employees add significant worth to the Company. Every organisation which values and appreciates its Human Resource succeeds in its goals and receives positive results. At Dishman, we always believe in the concept of human empowerment. We firmly believe that human resource is the most important assets of the organisation, as it influences growth, progress, profits and shareholders' values. During the year, we continued our efforts aimed at improving the HR policies and processes to enhance our performance. Our mission is to create a value system and behavioral skills to ensure achievement of our short and long-term objectives. The Company, as on March 31, 2018, had 989 employees on its rolls, compared to 845 employees in the previous year. We continue to attract excellent talent both from within and outside India to further our business interests. Industrial Relations continue to be cordial.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Dishman Carbogen Amcis Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Dishman Carbogen Amcis Limited's Annual Report, FY2018.

Notice

NOTICE is hereby given that the **11th Annual General Meeting** of the Members of **DISHMAN CARBOGEN AMCIS LIMITED** [formerly Carbogen Amcis (India) Ltd.] will be held on **Thursday, the 20th September, 2018 at 10:00 a.m.** at H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Deohooti J. Vyas (DIN 00004876) who retires by rotation and being eligible, offer herself for reappointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Ashok C. Gandhi (DIN 00022507) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, 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 the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ashok C. Gandhi (DIN 00022507), who was appointed as an Independent Director and who holds office as an Independent Director up to 31st March, 2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years i.e. up to 31st March, 2024."

4. To re-appoint Mr. Sanjay S. Majmudar (DIN 00091305) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, 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 the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sanjay S. Majmudar (DIN 00091305), who was appointed as an Independent Director and who holds office as an Independent Director up to 31st March, 2019 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years i.e. up to 31st March, 2024."

5. To re-appoint Mr. Arpit J. Vyas (DIN 01540057) as Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation made by the Nomination & Remuneration Committee and Board, approval of the members be and is hereby accorded to the re-appointment of Mr. Arpit J. Vyas (DIN 01540057) (Mr. A. J. Vyas) as Managing Director of the Company, for a further period of Five (5) years, on expiry of his present term of office, i.e. with effect from 1st June, 2019, 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: Five (5) years with effect from 1st June, 2019. The period of office of Mr. A. J. Vyas shall be liable to determination by retirement of Director by rotation.

   Function: Mr. A. 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, Mr. A. J. Vyas shall be paid ₹ 15.00 lacs (Rupees Fifteen Lacs only) per month and the above remuneration payable to him 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: Mr. A. J. Vyas shall not be entitled to any sitting fees.

RESOLVED FURTHER THAT wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him 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 him as minimum remuneration for that year.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to increase or revise the remuneration of Mr. A. 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."

6. To approve the payment of remuneration to Non-Executive Directors, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] (the Act), approval of the members be and is hereby accorded for the payment of remuneration by way of commission to Non-Executive Directors of the Company (i.e. directors other than the Managing Director and/or the Whole-time Directors) as may be determined by the Board of Directors for each Non-Executive Directors, for a further period of five years for each financial year ending on 31st March, 2019 upto and including financial year ending on 31st March, 2023 and distributed between such Non-Executive Directors and in such a manner as the Board of Directors may from time to time determine within the maximum limit of 1% (one percent) of net profit of the Company, to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 in addition to the sitting fees being paid by the Company to all the Non-Executive Directors for attending Board and/or Committee meetings of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

By Order of the Board of Directors

Shrima Dave
Company Secretary

Date : 16th May, 2018

NOTES:

1. The relevant Explanatory Statement and reasons in respect of proposed special business pursuant to Section 102(1) of the Companies Act, 2013 are annexed hereto.
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.

The instrument appointing the Proxy should, however, be received at the Company's Registered Office OR Corporate Office of the Company situated at Dishman Corporate House, Opp. Jayantilal Park BRTS Bus Stop, Iscon – Bopal Road, Ambli, Ahmedabad – 380 058 not later than 48 hours before the commencement of the meeting.

3. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

4. At the ensuing Annual General Meeting, Mrs. Deohooti J. Vyas retires by rotation and being eligible, offers herself for reappointment. The information or details required as per Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, pertaining to her (brief Resume) are as under:

Name of the Director	Mrs. Deohooti J. Vyas
Age	67 years
Date of first Appointment on the Board of the Company	01/12/1997 of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL"). Upon Scheme of Merger between erstwhile DPCL and Company became effective, She has been appointed as a Whole-time Director of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL.
Qualification	She holds a bachelor's degree in Science.
Experience (including expertise in specific functional area)	She has very rich experience in the field of Administration and Human Resource development. She is associated with the Dishman Group since 1st December, 1997 and day by day her work and responsibilities has also been increased with the rapid growth of the Company. She is instrumental in the strategic decision making in HR Policy.
Disclosure of Relationship	She is wife of Mr. Janmejay R. Vyas, Chairman & Managing Director and mother of Mr. Arpit J. Vyas, Managing Director & CFO of the Company.
No. of Shares held in the Company	1000 equity shares of ₹ 2/- each.
Terms and Conditions of Re-appointment	As per the resolution passed by the members of erstwhile DPCL at 32nd Annual General Meeting held on 29th September, 2015, Mrs. D. J. Vyas has been re-appointed as Whole-time Director for a period of five (5) years w.e.f. 3rd September, 2016. In terms of Section 152 of the Companies Act, 2013, she retires by rotation at the Meeting and being eligible offer herself for re-appointment.
Remuneration last drawn (including sitting fees, if any)	₹ 1.25 crores during FY 2017-18
Remuneration proposed to be paid	As per the existing terms and conditions
Number of meetings of the Board attended during the financial year	Pl. refer Corporate Governance Report section of the Annual Report 2017-18.
Directorship held in other Companies	
Chairmanship/Membership of Committees of other Boards	

Further, at the ensuing Annual General Meeting, Mr. Ashok C. Gandhi and Mr. Sanjay S. Majmudar are proposed to be re-appointed as an Independent Directors of the Company for the second term w.e.f. 1st April, 2019 AND Mr. Arpit J. Vyas is proposed to be re-appointed as Managing Director of the Company w.e.f. 1st June, 2019. In respect of these Directors, the required information and details as stipulated under Regulation 26 (4) and 36(3) of SEBI (LODR) Regulations, 2015 and SS-2 issued by Institute of Company Secretaries of India are given in the relevant Explanatory Statement of this Notice.

5. *The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Joint Statutory Auditors, who were appointed in the 10th Annual General Meeting held on 28th September, 2017.*

6. 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.

7. **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.**

8. Members/Proxies attending the meeting are requested to bring necessary details of their shareholding and duly completed Attendance Slip to the Meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

9. 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 17th August, 2018 at the email Ids registered with the Company/DP. For those shareholders whose name stand registered in the Register of Members as on 17th August, 2018 and who have not registered their email address, physical copies of the Notice of the Annual General Meeting along with Annual Report *inter-alia*, including remote e-voting instructions, proxy form and attendance slip is being sent to them in the permitted mode. In case you wish to receive the above documents in physical form, you are requested to please inform to the below mentioned E-mail ID. Please quote Name, your Demat Account No. [DP ID No. and Client ID No.] at email ID: grievance@dishmangroup.com. Any recipient of this Notice of Annual General Meeting who has no voting rights as on the date mentioned in point No. 10 should treat the same as information purpose only.

10. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the **cut-off date** i.e. **Thursday, 13th September, 2018.** A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.

11. **E-Voting**

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

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

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

12. **General information on E-voting**
    (i) The e-voting period commence on, **Monday, 17th September, 2018 at 9.00 a.m. and ends on Wednesday, 19th September, 2018 at 5.00 p.m.** During this period, shareholders holding shares either in physical form or in dematerialised mode as on **Thursday, 13th September, 2018 (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 48 hours from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.
    (v) The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report will be displayed on the:
        (i) Notice Board of the Company at its Registered Office and Corporate Office;
        (ii) Company's website http://www.dishmangroup.com/investor-relations.asp;
        (iii) CDSL website www.evotingindia.com and
        (iv) Stock exchanges' website www.nseindia.com and www.bseindia.com.
13. Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company at least 10 (ten) days before the date of the meeting to enable the management to keep the required information available at the meeting.
14. Annual Report for the FY 2017-18 of the Company has been uploaded on website of the Company i.e. www.dishmangroup.com
15. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all physical securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Link Intime India Pvt. Ltd./ the Company. Members holding shares in demat form are requested to update Bank Details and e-mail ID, with their respective Depository Participant.
16. SEBI has intended that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form.
17. (a) 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 2009-2010, 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

(b) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 31, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link http://www.dishmangroup.com/investor-relations.asp. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

(c) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink http://iepf.gov.in/IEPFA/refund.html or contact Link Intime India Private Limited for lodging claim for refund of shares and/or dividend from the IEPF Authority.

18. 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, Sundays and Public Holidays, between 2.00 p.m. and 4.00 p.m. up to the date of the Annual General Meeting.

19. 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 (SH-13) duly filled in and signed by them to the Depository Participants in case the shares are held in electronic form.

20. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the AGM.

21. The route map showing directions to reach the venue of the 11th Annual General Meeting is annexed.

INSTRUCTION FOR E-VOTING

The Instructions for Shareholders Voting Electronically are as under:

(i) The voting period begins on **Monday, 17th September, 2018 at 9.00 a.m. and ends on Wednesday, 19th September, 2018 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. **Thursday, 13th September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

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

(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.

   Click on the **EVSN 180814034** for the relevant **"Dishman Carbogen Amcis Limited"** on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(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, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details

Company	**Dishman Carbogen Amcis Limited.** e-mail ID: grievance@dishmangroup.com Phone No.: 02717-420102/124
Registrar & Transfer Agent Ahmedabad Office	**Link Intime India Pvt. Ltd.** 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisebridge, Ahmedabad - 380 006 Email: ahmedabad@linkintime.co.in
e-Voting Agency	**Central Depository Services (India) Limited** Name of Official – Mr. Rakesh Dalvi Designation – Manager Address - 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel (E), Mumbai - 400 013 E Mail ID - helpdesk.evoting@cdslindia.com Phone No. - 1800225533
Scrutinizer	**Mr. Ashok P. Pathak, Practicing Company Secretary** Email: csashokppathak@gmail.com

Explanatory Statement as required under Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice dated 16th May, 2018.

ITEM NO. 3

Mr. Ashok C. Gandhi (DIN 00022507) was appointed as a Non-executive Independent Director by the members of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") in their 31st AGM held on 4th September, 2014 for a term of five(5) consecutive years, effective from 1st April, 2014 to 31st March, 2019 ("first term"). Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as an Independent Director of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL. Accordingly, the current term of his office is due to expire on 31st March, 2019. Mr. Ashok C. Gandhi is the member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Ashok C. Gandhi as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contributions made by him during his tenure, the continued association of Mr. Ashok C. Gandhi would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ashok C. Gandhi as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.

Mr. Ashok C. Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received declaration from Mr. Ashok C. Gandhi that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Effective from April 01, 2019, Regulation 17(1A) of the Listing Regulations introduced on 9th May, 2018 *inter-alia* requires passing of Special Resolution with justification in the explanatory statement for appointment of a person who has attained 75 years of age as an Independent Director. Mr. Ashok C. Gandhi has already attained age of 75 years.

In the opinion of the Board, Mr. Ashok C. Gandhi:

(a) possesses rich experience and expertise relevant to the Company;

(b) fulfils the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations;

(c) is independent of the management.

Relevant details as stipulated under Regulation 26 (4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of Mr. Ashok C. Gandhi are as under:

Brief Resume:

Name of the Director	Mr. Ashok C. Gandhi
Age	79 years
Date of first Appointment on the Board of the Company	30/07/2004 of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL"). Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as an Independent Director of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL.
Qualification	He holds a bachelor's Degree in Commerce; bachelor's Degree in Law and he is senior advocate by Profession.

Experience (including expertise in specific functional area)	He has a very wide and rich experience as a senior Advocate. He is a partner of M/s. C. C. Gandhi & Co., Advocates, one of the eminent and reputed firm in Gujarat. His expertise is in the area of Corporate Laws. He is holding the position of trustee in various trusts having benevolent object. He is also a Member and President of various Societies / Committees.
Disclosure of Relationship	Not related to any Director / Key Managerial Personnel
No. of Shares held in the Company	NIL
Terms and Conditions of Re-appointment	As per the resolution at item No.3 of the Notice convening this Annual General Meeting read with explanatory statement thereto, Mr. Ashok C. Gandhi is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 31st March, 2024.
Remuneration last drawn (including sitting fees, if any)	₹ 13.25/- Lacs during FY 2017-18 (for remuneration details, please refer to Annexure A to the Board's Report)
Remuneration proposed to be paid	He shall be paid remuneration by way of sitting fee (presently sitting fee is ₹ 20,000/- for each meeting) for attending every meetings of the Board or Committees thereof plus reimbursement of expenses for participating in the Board and other meetings AND profit related commission within the limits stipulated under Section 197 of the Act, in such a proportion and manner as the Board may from time to time determine.
Number of meetings of the Board attended during the financial year	Pl. refer Corporate Governance Report section of the Annual Report 2017-18.
Directorship held in other Companies	
Chairmanship/Membership of Committees of other Boards	

Copy of draft letter of appointment of Mr. Ashok C. Gandhi setting out the terms and conditions of appointment is available for inspection without any fees by the members at the registered office of the Company during normal business hours on working days upto the date of AGM.

Mr. Ashok C. Gandhi does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Ashok C. Gandhi is interested in the resolution set out at Item No. 3 of the Notice with regard to his reappointment. Relatives of Mr. Ashok C. Gandhi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations. The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

ITEM NO. 4

Mr. Sanjay S. Majmudar (DIN 00091305) was appointed as a Non-executive Independent Director by the members of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") in their 31st AGM held on 4th September, 2014 for a term of five (5) consecutive years, effective from 1st April, 2014 to 31st March, 2019 ("first term"). Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as an Independent Director of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL. Accordingly, the current term of his office is due to expire on 31st March, 2019. Mr. Sanjay S. Majmudar is the Chairman of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and a Member of Corporate Social Responsibility Committee of the Company.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Sanjay S. Majmudar as an Independent Director for a second term of five (5) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, given his background and rich experience and valuable contributions made by him during his tenure, the continued association of Mr. Sanjay S. Majmudar would be immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Sanjay S. Majmudar as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company.

Mr. Sanjay S. Majmudar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("Act") and has given his consent to act as a Director.

The Company has also received declaration from Mr. Sanjay S. Majmudar that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Sanjay S. Majmudar possesses rich experience and expertise relevant to the Company and fulfils the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Sanjay S. Majmudar is independent of the management.

Relevant details as stipulated under Regulation 26 (4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of Mr. Sanjay S. Majmudar are as under:

Brief Resume:

Name of the Director	Mr. Sanjay S. Majmudar
Age	55 years
Date of first Appointment on the Board of the Company	14/02/2004 of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL"). Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as an Independent Director of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL.
Qualification	He is Chartered Accountant by Profession and holds bachelor's Degrees in Commerce and Law. He also holds a degree of Company Secretary.
Experience (including expertise in specific functional area)	He has experience of over 30 years as a Practicing Chartered Accountant. He is also proprietor of the firm M/s. Sanjay Majmudar and Associates, Chartered Accountants and also partner in M/s. Parikh & Majmudar, Chartered Accountants. He has been Chairman of editorial Committee of the Ahmedabad Chartered Accountants Association journal during the year 1994-95. He has been Chairman of NRRC Committee of the Chartered Accountants Association Ahmedabad during 2000-01 & 2002-03. He has rich experience in the area of Finance, Corporate Law, Direct tax, Auditing and Accounting.
Disclosure of Relationship	Not related to any Director / Key Managerial Personnel
No. of Shares held in the Company	24,700 equity shares of ₹ 2/- each.
Terms and Conditions of Re-appointment	As per the resolution at item No.4 of the Notice convening this Annual General Meeting read with explanatory statement thereto, Mr. Sanjay S. Majmudar is proposed to be re-appointed as an Independent Director of the Company for a second term of five(5) consecutive years i.e. upto 31st March, 2024.

Remuneration last drawn (including sitting fees, if any)	₹ 15.65/- Lacs during FY 2017-18 (for remuneration details, please refer to Annexure A to the Board's Report)
Remuneration proposed to be paid	He shall be paid remuneration by way of sitting fee (presently sitting fee is ₹ 20,000/- for each meeting) for attending every meetings of the Board or Committees thereof plus reimbursement of expenses for participating in the Board and other meetings AND profit related commission within the limits stipulated under Section 197 of the Act, in such a proportion and manner as the Board may from time to time determine.
Number of meetings of the Board attended during the financial year	Pl. refer Corporate Governance Report section of the Annual Report 2017-18.
Directorship held in other Companies	
Chairmanship/Membership of Committees of other Boards	

Copy of draft letter of appointment of Mr. Sanjay S. Majmudar setting out the terms and conditions of appointment is available for inspection without any fees by the members at the registered office of the Company during normal business hours on working days upto the date of AGM.

Mr. Sanjay S. Majmudar does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Mr. Sanjay S. Majmudar is interested in the resolution set out at Item No. 4 of the Notice with regard to his reappointment. Relatives of Mr. Sanjay S. Majmudar may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations. The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

Mr. Arpit J. Vyas (DIN 01540057) (Mr. A. J. Vyas) was appointed as a Managing Director of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") by the Board of Directors of erstwhile DPCL at its meeting held on 28th May, 2013, for a period of five (5) years w.e.f. 1st June, 2014 upon the recommendation of Remuneration Committee of erstwhile DPCL held on 28th May, 2013. His re-appointment as such was made with the 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 (5) years. His appointment as such and the remuneration payable to him were approved by the members of erstwhile DPCL by passing a special resolution at their Annual General Meeting held on 30th July, 2013.

Mr. Arpit. J. Vyas is a Chemical Engineer. He has completed his Chemical Engineering from University of Aston, Birmingham. He has gained a rich experience in the field of Marketing. Initially, he was appointed as an Additional Director and thereafter appointed as Whole-time Director of erstwhile DPCL w.e.f. 1st June, 2009 by the members of erstwhile DPCL at its meeting held on 31st July, 2009. Thereafter, he was further appointed as a Managing Director of erstwhile DPCL w.e.f. 1st June, 2014. He has been also appointed as CFO w.e.f. 17th July, 2015 by the Board of Directors of erstwhile DPCL at its meeting held on 17th July, 2015.

Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as Managing Director and CFO of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL. He has been extremely instrumental in the strategic decision making processes and Marketing Policies and the overall operation of Company's Plants worldwide. He is completely in-charge of the corporate functions such as finance, legal, IT, marketing, sales etc. Company's marketing division has been strengthened further after appointing him as a Managing Director of the Company. Marketing is otherwise his core area and he is capable to perform very well and it would be an added advantage that his academic qualification is also in the area of Chemical Engineering.

The existing term of Mr. A. J. Vyas as Managing Director of the Company will expire on 31st May, 2019. Board of Directors of the Company at its meeting held on 16th May, 2018, on the recommendation of the Nomination & Remuneration Committee held on the same day approved the re-appointment of Mr. A. J. Vyas as a Managing Director of the Company for a further period of five (5) years w.e.f. 1st June, 2019 as well as for the payment of remuneration to him as stated in the resolution proposed herein, subject to approval of the Members in general meeting.

Given the above, corroborated by the valuable contribution made by Mr. A. J. Vyas, the Board is of the view that it is in the interest of the Company to re-appoint young and dynamic person like Mr. A. J. Vyas as a Managing Director of the Company for a further period of five (5) years.

Mr. A. J. Vyas satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 ("Act") as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

This may be treated as an abstract of the terms of the draft resolution for re-appointment of Mr. A. J. Vyas as Managing Director of the Company, pursuant to Section 190 of the Act.

Relevant details as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of Mr. A. J. Vyas are as under:

Brief Resume:

Name of the Director	Mr. Arpit J. Vyas
Age	32 Years
Date of first Appointment on the Board of the Company	07/04/2012. Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as Managing Director & CFO of the Company w.e.f. 17/03/2017 with the existing terms and conditions as approved by the Board and Shareholders of erstwhile DPCL.
Qualification	Mentioned herein above. Pl. refer this explanatory statement.
Experience (including expertise in specific functional area)	
Disclosure of Relationship	He is son of Mr. Janmejay R. Vyas, Chairman & Managing Director and Mrs. Deohooti J. Vyas, Whole Time Director of the Company.
No. of Shares held in the Company	1000 equity shares of ₹ 2/- each.
Terms and Conditions of Re-appointment	As per the resolution at item No.5 of the Notice convening this Annual General Meeting read with explanatory statement thereto, Mr. A. J. Vyas is proposed to be re-appointed as Managing Director of the Company.
Remuneration last drawn (including sitting fees, if any)	₹ 1.25 crores during FY 2017-18
Remuneration proposed to be paid	As per the resolution at item No.5 of the Notice convening this Annual General Meeting.
Number of meetings of the Board attended during the financial year	Pl. refer Corporate Governance Report section of the Annual Report 2017-18.
Directorship held in other Companies	
Chairmanship/Membership of Committees of other Boards	

Appointment of Mr. A. J. Vyas as Managing Director and payment of remuneration to him as such is permissible in accordance with the provisions of Schedule V to the Act without the approval of Central Government, if his appointment is approved by the Members in General Meeting.

Your Directors, therefore, recommend an Ordinary Resolution at item No. 5 for your approval.

Mr. J. R. Vyas, Chairman & Managing Director and Mrs. D. 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 may also be considered as concerned and interested as the resolution pertains to himself. The other relatives of Mr. A. J. Vyas may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 6

Section 197 of the Companies Act, 2013 provides for payment of remuneration by way of commission to a Director who is neither in whole time employment nor a Managing Director, up to a limit of one per cent of the net profits, if the Company has a Managing or Whole-time Director OR three per cent in case the Company is managed by the Board of Directors having no Whole Time or Managing Director without the approval of the Central Government, if the Members by resolution authorizes such payment.

As the members are aware that, on 30th July, 2013 by passing a special resolution as such, Members of the Company given their consent and authorized Board of Directors for payment of commission to Non-Executive Director(s) as may be determined by the Board of Directors for each such Non-Executive Director for each financial year ending on 31st March, 2014 up to and including financial year ending on 31st March, 2018 within a maximum limit of one per cent of the net profits of the Company, subject to maximum of ₹ 18.00 lacs in aggregate and thereafter by passing a special resolution through postal ballot on 13th January, 2015 the said limit has been increased by the members to ₹ 25 lacs from ₹ 18 lacs.

Thereafter, looking to the new responsibilities entrusted to the Non-executive Directors under the new Companies Act, 2013 to make their role more objective and purposeful and keeping in view the enhanced role, responsibilities and duties of directors and simultaneously increase in number of Non-executive Directors of the Company, on 27th September, 2016, the members of the Company had also passed a Special Resolution for removing the said cap of ₹ 25 lacs on payment of remuneration by ways of commission to Non-Executive Directors.

The Member's authorization of said payment of commission to non-executive Directors for a period of five (5) years has been expired on the completion of financial year 2017-18 and the same requires further renewal.

Considering the growth of the Company, Board of Directors of the Company at its meeting held on 16th May, 2018 has approved the payment of remuneration, subject to approval of the Members in general meeting, for a further period of five years, by way of commission to such Non-Executive Director(s) of the Company (Other than the, Managing Director and/or Whole Time Director) up to a maximum permissible limit of one per cent of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and distributed between such Non-Executive Directors and in such a manner as the Board may determine keeping in view and after considering the contribution of and valuable services rendered by such Non-Executive Director(s) for each financial year over a period of five years from the financial year ending on 31st March, 2019 up to and including financial year of the Company ending as on 31st March, 2023. Apart from the Commission on the net profits as aforesaid, each Non-Executive Director of the Company is presently entitled to sitting fees of ₹ 20,000/- per meeting of the Board and/or Committee of the Board attended by them.

Your Directors, therefore, recommend a Special Resolution at item No. 6 for your approval. Except Mr. Sanjay S. Majmudar; Mr. Ashok C. Gandhi; Mr. Subir Kumar Das; Mr. Rajendra S. Shah and their relatives, none of the other Directors or key managerial personnel or their relatives, are in any way, concerned or interested, financially or otherwise in this resolution. This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Registered Office	**By Order of the Board of Directors**
Bhadr Raj Chambers,	
Swastik Cross Roads	**Shrima Dave**
Navrangpura, Ahmedabad-380 009	**Company Secretary**

Date : 16th May, 2018

Directors' Report

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

Your Directors have pleasure in presenting their Report along with the Audited Accounts of the Company for the year ended March 31, 2018.

FINANCIAL RESULTS

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2017-2018	2016-2017	**2017-2018**	2016-2017
Revenue from Operations	474.46	451.49	1694.78	1713.69
Earning Before Interest Tax Depreciation and Amortisation (EBITDA)	166.31	148.13	445.35	453.35
Other Income	65.66	70.80	45.69	26.13
Depreciation & Amortisation (other than Goodwill)	45.99	47.39	122.96	125.04
Amortisation of Goodwill	88.46	88.46	88.46	88.46
Profit Before Interest and Tax	97.52	83.08	279.61	265.98
Finance Costs	35.34	39.17	48.83	49.01
Profit Before Tax	62.17	43.91	230.79	216.08
Tax Expense	25.10	19.67	76.22	70.66
Profit After Tax	37.07	24.24	154.57	145.43

PERFORMANCE AND OPERATION REVIEW

Standalone Financial Results

In FY 2017-18, your Company achieved revenue of ₹ 474.46 crores as compared to ₹ 451.49 crores in FY 2016-17. Profit before tax stood at ₹ 62.17 crores in FY 2017-18 as against ₹ 43.91 crores in FY 2016-17. Profit after tax for the year remain at ₹ 37.07 crores in FY 2017-18 as compared to ₹ 24.24 crores in FY 2016-17.

Earning per share for the FY 2017-18 remains at ₹ 2.30 per share as against ₹ 1.50 per share in FY2016-17.

Consolidated Financial Results

In FY 2017-18, your Company achieved revenue of ₹ 1694.78 crores as compared to ₹ 1713.69 crores in FY 2016-17. Profit before tax stood at ₹ 230.79 crores in FY 2017-18 as against ₹ 216.08 crores in FY 2016-17. Profit for the year remains at ₹ 154.57 crores in FY 2017-18 as compared to ₹ 145.43 crores in FY2016-17.

Earning per share for the FY 2017-18 remains at ₹ 9.58 per share as against ₹ 9.01 per share in FY2016-17. Cash Earning per share for the current year works out to ₹ 24.00 as agianst ₹ 18.50 in the previous year.

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

Your Directors have considered it financially prudent in the long-term interest of the Company to reinvest the profits into the business of the Company and therefore no dividend has been recommended for the financial year ended March 31, 2018.

TRANSFER TO RESERVES

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

DEPOSIT

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

OPERATIONS

During the year, your company reinforced its philosophy of working towards achieving the vision of developing and manufacturing novel drugs, which are niche in nature and are able to address the world requirements by making the drugs available on an affordable and sustainable basis. Due to this focused approach, the company has been able to successfully develop and is in the process of developing some very niche sustainable high value molecules. Your company's focus was to ensure that the operating margins are sustained in the financial year ending March 31, 2018 in spite of adverse macro and micro economic factors. Moreover, your company targeted to improve the net profit margin, which it was able to achieve due to sustained efforts on reducing the finance cost and bringing in operational efficiencies. Due to the above efforts, your company's net profit margin was 9.36% in FY 2018 as compared to 8.90% in FY 2017. All key business verticals of the Company and also all major subsidiaries of the Company have performed exceedingly well.

CRAMS

Your company's contract research business is an important gateway to successfully developing and commercializing new chemical entities. The molecules under development have been increasing each year and your scientists have been diligently working on complex, niche, difficult to develop molecules, which speaks volumes about the research talent pool within the company.

In line with the philosophy of the company to develop novel drugs which would address the unmet needs of the society, your company has been focusing on five key therapeutic areas, which are namely, oncology, ophthalmic, cardiovascular, CNS and drugs under orphan category. The diseases in these therapeutic areas are one of the widest spreading as there are billions of people world over who die from these diseases each year and hence there is a need for extensive research and innovation in these areas. The close integration between the Swiss, India and China operations is working exceedingly well for the group due to which your company has been able to reap the benefits of the capabilities of each of these entities. During the year, one of the life-saving oncology drugs, which received the approval from the US FDA in FY 2017, received approval from the EU, which reinforces the strong technical know-how within the group.

The CRAMS segment across all locations has performed very well during the year under review on account of addition of new clients, new molecules and increase in repeat business from existing customers. Your company has a very strong relationship with the global pharma innovators and biotech companies, which is helping it immensely in acquiring new businesses. Your company has been focusing its efforts on diversifying its customer base and increasing the number of molecules under development as this acts as a good de-risking strategy from a customer concentration viewpoint and also increases the chances of more molecules being successfully developed and getting commercial approvals.

Your company's subsidiary CARBOGEN AMCIS AG commenced incurring capital expenditure on the new building it acquired in January, 2017, for modification of the building to meet its developmental project requirements. This capital expenditure is part of group's year 2020 strategy and your company expects the phase I of the expenditure for this building to be completed by Q1 of FY 2018-19. This will help your company's subsidiary to take additional orders for development work and increase the pipeline of products under development, thus increasing the chances of more molecules getting commercialized.

Your company is seeing a significant increase in the order book for the APIs of the molecules commercialized in the last 2-3 years, which are very niche in nature and are very high in margin. Your company's subsidiary CARBOGEN AMCIS AG is also seeing an increase in the quantities of already commercialized molecules, which along with your company's increased order book, would add immensely to the contract manufacturing revenue over the next 2-3 years.

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

Hi-Po Unit

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

Your company has planned to undertake expansion of the current installed capacities in this unit over the next 12 to 24 months. This expansion would largely involve installing the machineries for the remaining two cells and the custom block as currently only two cells are operational and running at full capacity. As your company sees sizeable order book going forward for this unit due to one of the molecules being successfully developed, this capacity increase is inevitable. Your company expects significant ramp up in the revenues from the HiPo unit on account of the strong pipeline of products, which would be developed and manufactured in this plant. Due to the complex nature of the products that would be developed and eventually manufactured in this unit, your company also expects the overall profitability margins to increase further as the capacity utilization of this plant increases.

Vitamin D Analogues

Your company's subsidiary Dishman Netherlands continues to perform exceedingly well by producing and selling quality Vitamin D analogues and cholesterol. Due to the change in strategy at Dishman Netherlands and the company's renewed focus on Vitamin D analogues and cholesterol business over the last 3-4 years, the company has been able to achieve significantly higher margins. Your company's R&D team under the guidance of your Chairman and Managing Director has made unparalleled findings in synthetically developing a mechanism to alleviate the Vitamin D deficiency in people found deficient of the same. Your company expects that as the knowledge of the newly developed process gains traction in terms of market acceptance, the revenues of Vitamin D analogues should also increase. Moreover, your company is also making strides in the plans to manufacture finished dosage form of Vitamin D, which would be forward integration of the Vitamin D analogues, that your company's subsidiary already manufactures.

During the year under review, the operating profitability margins have improved from 34% in FY 2016-17 to 38% in FY 2017-18, which are expected to be sustainable margins for the future.

Generic API and Disinfectant Business

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

Your company's strategy of entering into long term agreements with certain global pharmaceutical companies for developing and manufacturing formulations for them is working quite well. This will help your company in better utilizing the assets for disinfectant plant in a better manner. However, your company's strategy is clear that it would not be manufacturing disinfectant products at the cost of margins. Your company expects this business to be a steady business in the coming years.

Performance of Major Subsidiary Associates

The major subsidiary Companies have performed quite satisfactorily during the year under review. CARBOGEN AMCIS AG Switzerland has performed quite satisfactorily during the year under review. It has reported a healthy revenue of ₹ 973.33 crores and Profit after tax ₹ 148.30 crores.

Dishman Netherland BV., perform well during the year, reported revenue of ₹ 196.26 crores and Profit after tax of ₹ 57.92 crores. CARBOGEN AMCIS Ltd. (U.K.) reported a revenue of around ₹ 49.55 crores and Profit after tax of ₹ 8.45 crores. CARBOGEN AMCIS (Shanghai) Co. Ltd. also perform well, it was reported revenue of ₹ 46.79 crores and Profit before tax of ₹ 0.17 crores. Other Subsidiaries has also performed reasonably well during the year under review.

The other marketing subsidiaries viz. Dishman USA Inc. reported revenue of ₹ 121.62 crores and Profit after tax of ₹ 1.70 crores. Dishman Europe Ltd. reported a revenue of around ₹ 217.31 crores and Profit after tax of ₹ 14.48 crores during the year under review.

RESEARCH AND DEVELOPMENT

Dishman is a Research and Development driven company. Innovation is a constant factor in all activities undertaken at Dishman; be it processes, technologies or products.

We continue our efforts in bringing more efficiency to processes in terms of environmental impact and to meet the new, stricter regulations from the various regulatory agencies.

As members are aware and informed about our various focus areas viz:Vitamins, disinfectants, oncology products, MRI agents and catalysts. We have made progress on quite a few of these product ranges.

Dishman has been in the vitamin D business for more than a decade.

Since past two years, besides the regular Contract Research Projects for customers, Dishman has invested considerably in research in irradiation chemistry. This technology is used extensively in the manufacture of Vitamin D analogues. A lot of work has been done at Dishman to bring efficiency into upstream chemistry steps in order to have better mass balance and hence costs in the irradiation steps. Our efforts continue in this direction to bring newer, more efficient processes to manufacture these very important products.

We are adding capacity to our existing irradiation unit as well as putting new state-of-the-art irradiation units for specialized UV reactions at targeted wavelengths to get the desired conversions.

Our vitamin D team in the Netherlands and the R&D team in India work closely together to bring excellent outcomes of trials which are well designed and thoroughly investigated.

Dishman has a leadership position in disinfectant actives. This year, we have developed new disinfectants with better efficacy against wide spectrum of microorganisms. Few trials are underway on various new applications. The capacity of disinfectant manufacturing facility has also been expanded to meet the demands that we foresee for these new products.

On generics, we have completed development of three contrast agents, 3 DMFs have been filed and this year, we plan to file 2 more DMFs for this product category. We continue to develop niche generic molecules and will file DMFs for regulated markets.

We have initiated activities in CNS stimulants space and are focusing on this category for the coming years. We are exploring the possibilities to re-purpose certain actives in specific finished formulations through adequate clinical trials.

This year, our R&D developed processes for some KSMs and RSMs of key commercial products enabling us to bring their manufacturing in-house or at locally outsourced facilities. This has reduced our dependence on imports significantly and brought about supply chain security for most of the high value commercial products.

To support these activities, we have invested in sophisticated analytical instruments and added new instruments to our existing set up.

QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE)

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

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

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

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

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

In its pursuit of excellence towards sustainable development and to go beyond compliance, Dishman integrated its ISO 14001:2015 for EMS, ISO 9001:2015 for QMS and BS OHSAS 18001:2007 for Occupational, Health and Safety Management systems. The company is also certified EN/ISO 13485:2012 for Medical Device Quality Management System for Disinfectant Products. The adopted systems are being monitored for continual improvements.

SCHEME OF ARRANGEMENT AND AMALGAMATION

As the members are aware that the Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned a Scheme of Arrangement and Amalgamation amongst the Company; Dishman Pharmaceuticals and Chemicals Limited (DPCL); Dishman Care Limited (DCL) and their respective shareholders and Creditors ("Scheme") in terms of the provisions of Section 391 to 394 of the Companies Act, 1956. Upon Scheme becoming effective Name of the Company has been Changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" w.e.f. 27th March, 2017 vide fresh certificate of Incorporation pursuant to change of name issued by the Office of Registrar of Companies, Gujarat.

The appointed date for the Scheme was 1st January, 2015. A certified copy of the said order of Hon'ble High Court of Gujarat along with the Scheme has been received by the Company on 2nd March, 2017. The Scheme has become effective upon filing of certified copy of said order of Hon'ble High Court with the Office of Registrar of Companies, Gujarat/MCA on 17th March, 2017 ("Effective Date"). Accordingly, DPCL as a going concern, stands amalgamated with the Company with effect from the Appointed Date i.e. 1st January, 2015.

Accounting Impact

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'ble High Court, Gujarat, which is different from Ind AS 103 "Business Combinations". Accordingly, the assets and liabilities of DPCL and DCL have been recorded of their fair value as on Appointed Date. The purchase consideration of ₹ 4810 crores payable by way of issue of shares of the Company has been disclosed as Share Suspense Account under other equity. The excess of consideration payable over net assets acquired has been recorded as goodwill amounting ₹ 1326.86 crores, represented by underlying intangible assets acquired on amalgamation and is being amortized over the period of 15 years from the Appointed Date. Had the goodwill not been amortized as required under Ind AS 103, the Depreciation and Amortization expense for the year ended March 31, 2018 would have been lower by ₹ 88.46 crores and the Profit Before Tax for the year ended March 31, 2018 would have been higher by an equivalent amount.

ALLOTMENT PURSUANT TO SCHEME OF ARRANGEMENT AND AMALGAMATION

On 6th June, 2017, the Company has issued and allotted 16,13,94,272 equity shares of ₹ 2/- each, as fully paid-up equity shares to the shareholders of erstwhile Dishman Pharmaceuticals and Chemicals Limited in the ratio of 1 (one) share of Dishman Carbogen Amcis Limited for every 1 (one) share held in erstwhile Dishman Pharmaceuticals and Chemicals Limited to those shareholders whose names appear in the Register of Members / List of Beneficial owners as on the Record Date i.e. on 31st May, 2017, pursuant to the Scheme of arrangement and amalgamation.

LISTING AND TRADING

After the Scheme became effective, pursuant to the documents submitted on 22nd March, 2017, Part B approval of SEBI was received from BSE Ltd. on 12th May, 2017. Thereafter, the Company has fixed 31st May, 2017 as record date for the purpose of deciding the members who shall be eligible for allotment of equity shares pursuant to Scheme and necessary intimation of the same has been given to Stock Exchanges on 19th May, 2017. In this regard, the Company has received Suspension Letter dated 22nd May, 2017 issued by National Stock Exchange of India Limited and Notice of No Dealing dated 22nd May, 2017 issued by BSE Limited intimating that trading in the equity shares of DPCL shall be suspended with effect from May 30, 2017 due to procedural purpose till the new shares to be allotted to the DPCL's shareholders get listed on both the Stock Exchanges. Thereafter, on 6th June, 2017, the Company has made allotment of 16,13,94,272 equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger.

Thereafter, on 22nd June, 2017, Application for Listing and seeking exemption from Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957 was filed with BSE Ltd. and National Stock Exchange of India Ltd. In this regard, In-principle approvals has been received from National Stock Exchange of India Limited on 14th July, 2017 and from the BSE Limited on 20th July, 2017 for listing of 16,13,94,272 Equity Shares of ₹ 2/- each. The Company has also received SEBI approval Letter dated 13th September, 2017 approving Listing application seeking exemption from Rule 19(2)(b) of SCRR, 1957. After receipt of SEBI approval, NSE and BSE issued Listing and Trading Permission Notice dated 19th September, 2017 regarding to start trading in the shares of the Company from **Thursday, September 21, 2017** on both the Stock Exchanges i.e. BSE (under Scrip Code: 540701) and NSE (under Symbol: DCAL).

Annual listing fees for the FY 2018-2019, as applicable, have been paid before due date to the concerned Stock Exchanges.

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
- Sexual Harassment 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 Report on Corporate Governance which forms part of this Annual Report.

DISCLOSURES UNDER THE COMPANIES ACT, 2013

i) Extract of Annual Return

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

ii) Board Meetings

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

During the FY 2017-18, the Board met Five (5) times i.e. on 3rd April, 2017, 16th May, 2017, 10th August, 2017, 9th November, 2017 and 24th January, 2018. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

iii) Related Party Transactions

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Since all the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure B** to this Board's report. The policy on

Related Party Transactions has been approved by the Board and uploaded on the website of the Company. The details of the transactions with Related Party are provided in the accompanying financial statements vide note no.31 of notes on financial statement as per requirement of Ind AS 24 -related party disclosure. These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

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

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

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

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

vi) Subsidiaries, Joint Ventures and Associate Companies

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

During the last quarter of the year under review, the Company has initiated the procedure to struck-off/ wound-up of its two dormant wholly owned subsidiaries namely Innovative Ozone Services Inc. (I03S) and Dishman Switzerland Ltd.

Also, as reported last year, as a part of global restructuring process, during the year, the Company has transferred its 100% stake in CARBOGEN AMCIS (Shanghai) Co. Ltd. ("CASCL") to its another wholly owned subsidiary namely Dishman Carbogen Amcis (Singapore) Pte. Ltd. ("DCASPL") by way of share swap arrangement for a consideration of RMB 189.51 million. Further, the DCASPL has transferred its stake in CASCL to the Company's wholly owned subsidiary namely CARBOGEN AMCIS Holding AG., Switzerland ("CAHAG"), by way of share swap. After, this restructuring the Company's stake in CAHAG has been reduced to 91.50% and remaining 8.50% has been held by DCASPL.

As on 31 March, 2018, the total number of subsidiaries including step down subsidiaries was Sixteen (16).

Restructuring of Wholly Owned Subsidiaries

i) Transfer of equity stake of Company's wholly owned step down subsidiary namely Dishman Netherlands BV ("DNBV") to Company's another wholly owned subsidiary company namely CARBOGEN AMCIS Holding AG ("CAHAG")

CARBOGEN AMCIS Holding AG is an overseas wholly owned subsidiary of the Company, which is currently holding investments in its four subsidiaries namely i) CARBOGEN AMCIS AG, Switzerland; ii) CARBOGEN AMCIS SAS, France; iii) CARBOGEN AMCIS Limited, UK and iv) CARBOGEN AMCIS (Shanghai) Co. Limited, China. The Company, directly and indirectly, currently owns 100% shares in all these subsidiaries.

As a part of the global restructuring process, the Company's wholly owned subsidiary Dishman Europe Limited ("DEL") intends to transfer its shareholding in Dishman Netherlands BV to CAHAG by way of a share swap arrangement for a consideration of approximately EUR 91 million. The company intends to first transfer the shares of DNBV from DEL to Dishman Carbogen Amcis (Singapore) Pte Limited ("DCASPL") and then from DCASPL to CAHAG by way of a share swap. The company also intends to change the name of Dishman Netherlands BV to CARBOGEN AMCIS Netherlands BV. This will help the company in realigning the operations globally and ensuring that all overseas manufacturing entities are consolidated under one overseas holding company.

ii) Restructuring of Dishman Japan's Share Capital

As a part of restructuring process, Company's wholly owned subsidiary namely Dishman Japan Ltd.("DJL"), will issue new shares to CARBOGEN AMCIS Holding AG ("CAHAG") and after this restructuring of DJL's Share Capital, DJL becomes step down subsidiary of the Company and Company's holding will reduce to 49% and 51% will be held by CAHAG. Subsequently, the name of the Dishman Japan Ltd., will be changed to Dishman Carbogen Amcis (Japan) Ltd.

CONSOLIDATED FINANCIAL STATEMENT

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

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

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

GENERAL DISCLOSURE

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

During the year 2017-2018, the Company has not issue any of Equity Shares with differential rights as to dividend, voting or otherwise.

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

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

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

Mr. Arpit J. Vyas, Managing Director & CFO of the Company has received remuneration as a Director from two Foreign wholly owned subsidiary companies namely Dishman Europe Ltd., and CARBOGEN AMCIS AG., Switzerland AND from the Company as a Managing Director, which is in compliance with the provisions of the Companies Act, 2013.

Also, Mr. Janmejay R. Vyas, Chairman & Managing Director of the Company has received remuneration as a Director from one of the Foreign wholly owned subsidiary company namely Dishman Europe Ltd., and from the Company as a Chairman & Managing Director, which is in compliance with the provisions of the Companies Act, 2013.

Details of remuneration received by Mr. Arpit J. Vyas and Mr. Janmejay R. Vyas has been disclosed in report on Corporate Governance.

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

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.

v) Secretarial Standards

Secretarial Standards issued by the Institute of Company Secretaries of India as applicable to the Company were followed and complied with during 2017-18. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

DIRECTORS & KMPs

Retire by Rotation

Mrs. Deohooti J. Vyas, Whole-time Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offers herself for reappointment.

Appointment

The term of office of Mr. Ashok C. Gandhi and Mr. Sanjay S. Majmudar, as an Independent Directors, will expire on 31st March, 2019. The Board of Directors, on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Ashok C. Gandhi and Mr. Sanjay S. Majmudar, as an Independent Directors of the Company for a second term of five (5) consecutive years on the expiry of their current term of office.

Key Managerial Personnel

The Board of Directors on recommendation of Nomination and Remuneration Committee has re-appointed Mr. Arpit J. Vyas as Managing Director of the Company for a further period of 5 (five) years with effect from 1st June, 2019, subject to approval of shareholders, as his current term of office is upto 30th May, 2019.

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).

Board Evaluation & Criteria

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board 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 and Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Board diversity

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

Policy on Director's appointment and remuneration

The salient features of the Policy on Directors' appointment and remuneration of Directors, KMP & senior employees and other related matters as provided under Section 178(3) of the Companies Act, 2013 is stated in the report on Corporate Governance which is a Part of the Board's Report. The detailed Policy is placed on the website of the Company at http://www.dishmangroup.com/Files/DishmanGroup/Investor-Relations/Policy%20on%20Remuneration%20of%20Directors,%20Key%20Managerial%20Personnel%20&%20%20Senior%20Employees%20AND%20Succession%20Policy.pdf

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

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

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

The independent Directors are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company undertook various steps to make the Independent Directors have full understanding about the Company. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Pharma Industry as a Whole. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarisation programmes have been disclosed on the Company's website at www.dishmangroup.com.

INDEPENDENT DIRECTORS' MEETING

A Separate meeting of Independent Directors held on 24th January, 2018 without the attendance of Non-Independent Directors and members of the Management. In the said meeting, Independent Directors reviewed the followings:

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

The Independent 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, 2018, 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 Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee has additional oversight in the area of financial risks and control.

VIGIL MECHANISM

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

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

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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) were appointed as Joint Statutory Auditors of the Company for period of 4 years at the 10th Annual General Meeting (AGM) held on Septmebr 28, 2017 and hold office until the conclusion of the 14th AGM subject to ratification by the Members at every AGM. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the requirement of ratification of appointment of Statutory Auditors in every AGM subsequent to their appointment has been dispensed. Hence, Company has not taken the agenda of Ratification of appointment of joint statutory auditors in the notice of ensuing annual general meeting.

The Company has received a confirmation 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) to the effect that they are not disqualified from continuing as Auditors of the Company.

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

Internal Auditors

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

Secretarial Auditors

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

Cost Audit

Central Government has notified rules for Cost Audit and as per new Companies (Cost Records and Audit) Rules, 2014 issued by Ministry of Corporate Affairs; Company is not falling under the Industries, which will subject to Cost Audit. Therefore filing of cost audit report for the FY 2018-19 is not applicable to the Company. However, as required under Section 148(1) of the Companies Act, 2013, Company has maintained necessary Cost Records.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION ANALYSIS REPORT

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is not just a duty; it is an approach towards existence. The Company see CSR as a creative opportunity to fundamentally strengthen the Company's business, while contributing to the society and creating social, environmental and economic impact. The Company's motto is to build a sustainable life for the weaker and under-privileged sections of the Society. 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.

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 Report on Corporate Governance. 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.

BUSINESS RESPONSIBILITY REPORT

In pursuance of Regulation 34 of SEBI (LODR) Regulations, 2015, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to prepare and enclose with its Annual Report, a Business Responsibility Report describing the initiatives taken by them from an environmental, social and governance perspectives. A separate report on Business Responsibility is annexed herewith as **Annexure H**.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of SEBI (LODR) Regulations, 2015, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. Accordingly, the Board has approved the Dividend Distribution Policy in line with said Regulation. The said policy is available on www.dishmangroup.com. The Policy is annexed as **Annexure I** to the Director's Report.

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 of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN - 00004730

Date : 16th May, 2018
Place : Ahmedabad

ANNEXURE A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
[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	L74900GJ2007PLC051338
2.	Registration Date	17th July, 2007
3.	Name of the Company	Dishman Carbogen Amcis Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009, Gujarat Contact No. : +91 (0) 02717-420102/124 Email: grievance@dishmangroup.com Website: www.dishmangroup.com
6.	Whether listed company Yes / No	Yes, Listed Company (w.e.f. 21/09/2017)
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd. 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road , Ellisebridge, Ahmedabad - 380 006 Tel. No. 91-79-2646 5187, Fax No.: 91-79-2646 5179, Email: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate Company	% of shares held	Applicable Section
1	Bhadra Raj Holdings Pvt. Ltd. Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380 009.	U17119GJ1984PTC007507	Holding	61.40%	2(46)
2	Dishman Europe Ltd. Suite 4 De Walden Court, 85 New Cavendish Street, London, W1W6XD United Kingdom	N.A.	Subsidiary	100%	2(87)
3	Dishman USA. Inc. 476, Union Avenue, Second Floor, Middlesex, NJ 08846	N.A.	Subsidiary	100%	2(87)
4	CARBOGEN AMCIS (Shanghai) Co., Ltd. No. 69 Shungong Road, Shanghai Chemical Industry Park, Shanghai 201507, China	N.A.	Subsidiary	100%	2(87)
5	Dishman Switzerland Ltd. Les Vernets 2, CH-2035 Corcelles, Switzerland	N.A.	Subsidiary	100%	2(87)

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

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

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year #				No. of Shares held at the end of the year #				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1.	**Indian**									
a.	Individual/ HUF	0	0	0	0.00%	5000	0	5000	0.00%	0.00%
b.	Central Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
c.	State Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
d.	Bodies Corporates	0	0	0	0.00%	99091898	0	99091898	61.40%	0.00%
e.	Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
f.	Any Other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (A)(1)		**0**	**0**	**0**	**0.00%**	**99096898**	**0**	**99096898**	**61.40%**	**0.00%**
2.	**Foreign**									
a.	NRI-Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b.	Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c.	Body Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d.	Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
e.	Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
SubTotal- (A)(2)		**0**	**0**	**0**	**0.00%**	**0**	**0**	**0**	**0.00%**	**0.00%**
Total Shareholder of Promoter (A)=(A)(1)+(A)(2)		**0**	**0**	**0**	**0.00%**	**99096898**	**0**	**99096898**	**61.40%**	**0.00%**
B.	**Public Shareholding**									
1.	**Institutions**									
a.	Mutual Funds	0	0	0	0.00%	18113524	0	18113524	11.22%	0.00%
b.	Bank/ FIs	0	0	0	0.00%	473580	0	473580	0.29%	0.00%
c.	Central Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
d.	State Governments	0	0	0	0.00%	0	0	0	0.00%	0.00%
e.	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f.	Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g.	Foreign Institutional Investors	0	0	0	0.00%	15555086	0	15555086	9.64%	0.00%
h.	Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
i.	Others (Alternate Investment Fund)	0	0	0	0.00%	2140316	0	2140316	1.33%	0.00%
SubTotal- (B)(1)		**0**	**0**	**0**	**0.00%**	**36282506**	**0**	**36282506**	**22.48%**	**0.00%**
2. Non - Institutions										
a.	Body Corporates									
i)	Indian	0	0	0	0.00%	3092369	0	3092369	1.92%	0.00%
ii)	Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b.	Individual									
i.	Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	0	0	0	0.00%	17496564	2191	17498755	10.84%	0.00%
ii.	Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	0	0	0	0.00%	3441436	0	3441436	2.13%	0.00%
c.	Others (specify)					0	0	0	0.00%	
i)	NRI (Rep.)	0	0	0	0.00%	746324	1	746325	0.46%	0.00%
ii)	NRI (Non-Rep.)	0	0	0	0.00%	200319	1	200320	0.12%	0.00%
iii)	IEPF	0	0	0	0.00%	1472	0	1472	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%	3380	0	3380	0.00%	0.00%
vi)	Clearing Member	0	0	0	0.00%	298971	0	298971	0.19%	0.00%
vii)	Independent Directors & Relatives and their holding	0	0	0	0.00%	67300	0	67300	0.04%	0.00%
viii)	HUF	0	0	0	0.00%	664390	150	664540	0.41%	0.00%
SubTotal- (B)(2)		**0**	**0**	**0**	**0.00%**	**26012525**	**2343**	**26014868**	**16.12%**	**0.00%**
Total Public Shareholding (B)=(B)(1)+(B)(2)		**0**	**0**	**0**	**0.00%**	**62295031**	**2343**	**62297374**	**38.60%**	**0.00%**
C.	**Shares held by Custodian for GDRs & ADRs**									
Promoter and 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%
Net Total		**0**	**0**	**0**	**0.00%**	**0**	**0**	**0**	**0.00%**	**0.00%**
Grand Total (A + B + C)		**0**	**0**	**0**	**0.00%**	**161391929**	**2343**	**161394272**	**100.00%**	**0.00%**

(ii) Shareholding of Promoter/Promoter Group

Sr No.	Shareholder's Name	Shareholding at the beginning of the year#			Shareholding at the end of the year#			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encum-bered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encum-bered to total shares	
1	Bhadra- Raj Holdings Pvt. Ltd.	0	0.00%	0.00%	99091898	61.40%	0.00%	0.00%
2	Janmejay R. Vyas	0	0.00%	0.00%	1000	0.00%	0.00%	0.00%
3	Deohooti J. Vyas	0	0.00%	0.00%	1000	0.00%	0.00%	0.00%
4	Arpit J. Vyas	0	0.00%	0.00%	1000	0.00%	0.00%	0.00%
5	Aditi J. Vyas	0	0.00%	0.00%	1000	0.00%	0.00%	0.00%
6	Mansi J. Vyas	0	0.00%	0.00%	1000	0.00%	0.00%	0.00%
7	Saloni A. Vyas	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
8	Janmejay Rajnikant Vyas - HUF	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
9	Adimans Technologies Pvt. Ltd	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
10	Azafran Innovacion Ltd	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
11	Dishman Biotech Ltd	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
12	Dishman Infrastructure Ltd	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
13	B R Laboratories Limited	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
14	Leon Hospitality Pvt. Ltd	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
15	Aham Brahmasmi Entertainment Pvt. Ltd.	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
16	Discus IT Private Limited	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
17	Adiman Ventures	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
18	Vyas Family Trust	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
19	Janmejay Vyas Family Trust	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
20	Deohooti Vyas Family Trust	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
21	Arpit Vyas Family Trust	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
22	Aditi Vyas Family Trust	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
23	Mansi Shodhan Family Trust	0	0.00%	0.00%	0	0.00%	0.00%	0.00%
Total		**0**	**0.00%**	**0.00%**	**99091898**	**61.40%**	**0.00%**	**0.00%**

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

SN	Particulars	No. of Shares at the beginning (01-04-2017)#	% of total shares of the company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares end of the year (31-03-2018)#	% of total shares of the company
1	Bhadra- Raj Holdings Pvt. Ltd.	0	0.00%	06/06/2017	99091898	Allotment	99091898	61.40%
2	Janmejay R. Vyas	0	0.00%	06/06/2017	1000	Allotment	1000	0.00%
3	Deohooti J. Vyas	0	0.00%	06/06/2017	1000	Allotment	1000	0.00%
4	Arpit J. Vyas	0	0.00%	06/06/2017	1000	Allotment	1000	0.00%
5	Aditi J. Vyas	0	0.00%	06/06/2017	1000	Allotment	1000	0.00%
6	Mansi J. Vyas	0	0.00%	06/06/2017	1000	Allotment	1000	0.00%
7	Saloni A. Vyas	0	0.00%	NA	NIL	NA	0	0.00%
8	Janmejay Rajnikant Vyas - HUF	0	0.00%	NA	NIL	NA	0	0.00%
9	Adimans Technologies Pvt. Ltd	0	0.00%	NA	NIL	NA	0	0.00%
10	Azafran Innovacion Ltd	0	0.00%	NA	NIL	NA	0	0.00%

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

SN	Particulars	No. of Shares at the beginning (01-04-2017)#	% of total shares of the company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares end of the year (31-03-2018)#	% of total shares of the company
11	Dishman Biotech Ltd	0	0.00%	NA	NIL	NA	0	0.00%
12	Dishman Infrastructure Ltd	0	0.00%	NA	NIL	NA	0	0.00%
13	B R Laboratories Limited	0	0.00%	NA	NIL	NA	0	0.00%
14	Leon Hospitality Pvt. Ltd	0	0.00%	NA	NIL	NA	0	0.00%
15	Aham Brahmasmi Entertainment Pvt. Ltd.	0	0.00%	NA	NIL	NA	0	0.00%
16	Discus IT Private Limited	0	0.00%	NA	NIL	NA	0	0.00%
17	Adiman Ventures	0	0.00%	NA	NIL	NA	0	0.00%
18	Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
19	Janmejay Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
20	Deohooti Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
21	Arpit Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
22	Aditi Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
23	Mansi Shodhan Family Trust	0	0.00%	NA	NIL	NA	0	0.00%

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

SN	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2017)#		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)#	
SN	Particulars	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	L AND T MUTUAL FUND TRUSTEE LTD- L AND T INDIA PRUDENCE FUND	0	0.00%	06 Jun 2017	7389604	Allotment	7389604	4.58%
				29 Sep 2017	249100	Transfer	7638704	4.73%
				06 Oct 2017	391618	Transfer	8030322	4.97%
				03 Nov 2017	(192500)	Transfer	7837822	4.85%
				29 Dec 2017	166796	Transfer	8004618	4.96%
				19 Jan 2018	(263177)	Transfer	7741441	4.80%
				26 Jan 2018	78090	Transfer	7819531	4.84%
				02 Feb 2018	149246	Transfer	7968777	4.94%
				09 Feb 2018	30754	Transfer	7999531	4.96%
		7999531	4.96%	31 Mar 2018			7999531	4.96%
2	GOVERNMENT PENSION FUND GLOBAL	0	0.00%	06 Jun 2017	1969865	Allotment	1969865	1.22%
				09 Feb 2018	9590	Transfer	1979455	1.23%
				16 Feb 2018	252365	Transfer	2231820	1.38%
				23 Feb 2018	116359	Transfer	2348179	1.45%
				02 Mar 2018	14124	Transfer	2362303	1.46%
				09 Mar 2018	144325	Transfer	2506628	1.55%
				16 Mar 2018	163687	Transfer	2670315	1.65%
				23 Mar 2018	21702	Transfer	2692017	1.67%
		2692017	1.67%	31 Mar 2018	451368	Transfer	3143385	1.95%

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

SN	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2017)#		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)#	
SN	Particulars	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
3	IDFC FOCUSED EQUITY FUND	0	0.00%	06 Jun 2017	1218010	Allotment	1218010	0.75%
				29 Sep 2017	504016	Transfer	1722026	1.07%
				06 Oct 2017	8176	Transfer	1730202	1.07%
				13 Oct 2017	33324	Transfer	1763526	1.09%
				20 Oct 2017	4000	Transfer	1767526	1.09%
				27 Oct 2017	58550	Transfer	1826076	1.13%
				03 Nov 2017	20000	Transfer	1846076	1.14%
				10 Nov 2017	20000	Transfer	1866076	1.16%
				17 Nov 2017	51434	Transfer	1917510	1.19%
				24 Nov 2017	936	Transfer	1918446	1.19%
				01 Dec 2017	109224	Transfer	2027670	1.26%
				08 Dec 2017	190371	Transfer	2218041	1.37%
				15 Dec 2017	1950	Transfer	2219991	1.37%
				22 Dec 2017	164660	Transfer	2384651	1.48%
				29 Dec 2017	8992	Transfer	2393643	1.48%
				05 Jan 2018	53722	Transfer	2447365	1.52%
				19 Jan 2018	45978	Transfer	2493343	1.54%
				26 Jan 2018	159230	Transfer	2652573	1.64%
				02 Feb 2018	44317	Transfer	2696890	1.67%
				09 Feb 2018	24000	Transfer	2720890	1.68%
				23 Feb 2018	6761	Transfer	2727651	1.69%
				02 Mar 2018	98338	Transfer	2825989	1.75%
				09 Mar 2018	9738	Transfer	2835727	1.76%
				16 Mar 2018	66528	Transfer	2902255	1.80%
				23 Mar 2018	23207	Transfer	2925462	1.81%
		2925462	1.81%	31 Mar 2018	39568	Transfer	2965030	1.84%
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY FUND	0	0.00%	06 Jun 2017	3068000	Allotment	3068000	1.90%
				24 Nov 2017	47000	Transfer	3115000	1.93%
				15 Dec 2017	17000	Transfer	3132000	1.94%
				22 Dec 2017	200000	Transfer	3332000	2.06%
				12 Jan 2018	(7000)	Transfer	3325000	2.06%
				26 Jan 2018	(585543)	Transfer	2739457	1.70%
				02 Feb 2018	(264250)	Transfer	2475207	1.53%
		2475207	1.53%	31 Mar 2018	(72700)	Transfer	2402507	1.49%
5	TATA BALANCED FUND	0	0.00%	06 Jun 2017	2602662	Allotment	2602662	1.61%
				22 Sep 2017	(100000)	Transfer	2502662	1.55%
				29 Sep 2017	30000	Transfer	2532662	1.57%
				08 Dec 2017	(100000)	Transfer	2432662	1.51%
				29 Dec 2017	(70000)	Transfer	2362662	1.46%
				19 Jan 2018	16000	Transfer	2378662	1.47%
				26 Jan 2018	(57000)	Transfer	2321662	1.44%
		2321662	1.44%	31 Mar 2018			2321662	1.44%

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

SN	Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2017)#		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)#	
SN	Particulars	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
6	LSV EMERGING MARKETS EQUITY	0	0.00%	06 Jun 2017	2163500	Allotment	2163500	1.34%
	FUND LP	2163500	1.34%	31 Mar 2018			2163500	1.34%
7	UTI- BALANCED FUND	0	0.00%	06 Jun 2017	1455969	Allotment	1455969	0.90%
				22 Sep 2017	(100000)	Transfer	1355969	0.84%
				19 Jan 2018	506188	Transfer	1862157	1.15%
				26 Jan 2018	100000	Transfer	1962157	1.21%
				02 Feb 2018	61450	Transfer	2023607	1.25%
		2023607	1.25%	31 Mar 2018	(400000)	Transfer	1623607	1.01%
8	DIMENSIONAL EMERGING	0	0.00%	06 Jun 2017	1414095	Allotment	1414095	0.88%
	MARKETS VALUE FUND	1414095	0.88%	31 Mar 2018			1414095	0.88%
9	TEJAS BHALCHANDRA TRIVEDI	0	0.00%	06 Jun 2017	950000	Allotment	950000	0.59%
				19 Jan 2018	50000	Transfer	1000000	0.62%
		1000000	0.62%	31 Mar 2018			1000000	0.62%
10	INDIA ACORN FUND LTD	0	0.00%				0	0.00%
				29 Sep 2017	270427	Transfer	270427	0.17%
				06 Oct 2017	50000	Transfer	320427	0.20%
				13 Oct 2017	22073	Transfer	342500	0.21%
				10 Nov 2017	192500	Transfer	535000	0.33%
				22 Dec 2017	77500	Transfer	612500	0.38%
				29 Dec 2017	55000	Transfer	667500	0.41%
				12 Jan 2018	84436	Transfer	751936	0.46%
				26 Jan 2018	144000	Transfer	895936	0.55%
		895936	0.55%	31 Mar 2018			895936	0.55%

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1st April, 2017#		Shareholding at the end of the year 31st March, 2018#	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Janmejay R. Vyas	0	0.00%	1000	0.00%
2	Deohooti J. Vyas	0	0.00%	1000	0.00%
3	Arpit J. Vyas	0	0.00%	1000	0.00%
4	Ashok C. Gandhi	0	0.00%	0	0.00%
5	Sanjay S. Majmudar	0	0.00%	24700	0.01%
6	Subir Kumar Das	0	0.00%	0	0.00%
7	Rajendra S. Shah	0	0.00%	0	0.00%
8	Mark Griffiths	0	0.00%	0	0.00%
9	Shrima Dave	0	0.00%	0	0.00%

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

Change in no. of shares due to Scheme of Merger. Upon coming into effect of the scheme, the pre-merger paid up share capital of the company of ₹ 5,00,000 consisting 2,50,000 equity shares of ₹ 2/- get cancelled. Hence, at the beginning of the financial year i.e. 1st April, 2017, the share capital of the Company was NIL. Pursuant to the Scheme of Merger, on 6th June, 2017, the Company has issued and allotted 16,13,94,272 equity shares of ₹ 2/- each, as fully paid-up equity shares to the shareholders of Dishman Pharmaceuticals and Chemicals Limited in the ratio of 1 share of Dishman Carbogen Amcis Limited for every 1 share held in Dishman Pharmaceuticals and Chemicals Limited to those shareholders whose names appear in the Register of Members / List of Beneficial owners as on the Record Date i.e. on 31st May, 2017.

V. INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the Beginning of the financial year-01.04.2017				
1) Principal Amount	398.75	46.18	-	444.93
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.20	-	-	0.20
Total of (1+2+3)	**398.95**	**46.18**	**-**	**445.13**
Change in Indebtedness during the financial year				
+ Addition	297.64	-	-	297.64
- Reduction	(106.47)	(30.12)	-	(136.59)
+ / - Addition / (Reduction)$	15.39	-	-	15.39
Net change	206.56	(30.12)	-	176.44
Indebtedness at the end of the financial year-31.03.2018				
1) Principal Amount	605.51	16.06	-	621.57
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	1.33	-	-	1.33
Total of (1+2+3)	**606.84**	**16.06**	**-**	**622.90**

$ Addition is on account of Foreign Exchange Fluctuation

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.Janmejay R.Vyas (Chairman & Managing Director)	Mr. Arpit J. Vyas (Managing Director & CFO)	Mrs. Deohooti J.Vyas (Whole-time Director)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	125.00	125.00	**250.00**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	**-**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	**-**
2	Stock Option	-	-	-	**-**
3	Sweat Equity	-	-	-	**-**
4	Commission - As % of Profit	272.71	-	-	**272.71**
	- Others, specify	-	-	-	**-**
5	Others, please specifyProvident Fund & other Funds	-	-	-	**-**
	Performance Bonus	-	-	-	**-**
	Total (A)	**272.71**	**125.00**	**125.00**	**522.71**
	Ceiling as per the Act	10% of the net profits of the Company			

B. Remuneration of other directors:

I. Independent Directors :-

Particulars of Remuneration	Name of Directors				Total Amount (₹ In lacs)
	Mr. Sanjay S. Majmudar	Mr. Ashok C. Gandhi	Mr. Subir Kumar Das	Mr. Rajendra S. Shah	
Fee for attending board committee meetings	3.00	2.80	2.00	0.60	8.40
Commission	12.65	10.45	9.90	7.70	40.70
Others, please specify					-
Total (1)	**15.65**	**13.25**	**11.90**	**8.30**	**49.10**

II. Other Non-Executive Directors :-

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

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

Sr. No.	Particulars of Remuneration	Name of KMP Ms. Shrima Dave (Company Secretary)	Total Amount (₹ In Lacs)
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.11	**6.11**
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- As % of Profit	-	-
	- Others, specify	-	-
5	Others, please specifyContribution to Provident Fund	0.22	**0.22**
	Total (C)	6.33	**6.33**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE B

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)
				Not Applicable				

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting u/s 188(1)	Amount involved during the year (Rs. in Crores)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	Dishman Europe Ltd. (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines	As per Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, all transaction are being placed before the Audit Committee and Board on quarterly basis and at regular intervals	Advance paid have been adjusted against billings/ invoice/debit note, etc. wherever applicable	As the transactions were with wholly owned subsidiary companies are being exempt under Companies Act, 2013 and SEBI (LODR) Regulations, 2015, therefore no approval of shareholder is required. However, Regulation 23 of SEBI (LODR) Regulations, 2015, material contracts or arrangements above 10% of the Turnover, if any, are being shown as material transactions at arm length prices.	185.46
2.	CARBOGEN AMCIS AG (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines		Advance paid have been adjusted against billings/ invoice/debit note, etc. wherever applicable		36.48
3.	Dishman USA Inc (Wholly owned subsidiary)	Sale of Goods/Export of Services	On going	Based on transfer pricing guidelines		Advance paid have been adjusted against billings/ invoice/debit note, etc. wherever applicable		89.18

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

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

Pursuant to the Scheme of Arrangement & Amalgamation, the Directors of erstwhile DPCL shall be appointed as Directors of the Company w.e.f. 17th March, 2017 with their existing terms and conditions as approved by the Board of Directors and Shareholders of erstwhile DPCL. Therefore, the previous year details given hereunder is pertaining to remuneration paid by erstwhile DPCL:

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2017-18, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2017-18 are as under:

Sr. No.	Name & Designation	Ratio of Remuneration of Director to Medians Remuneration of employees	% increase in Remuneration In FY 2017-178 ($)
		(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
Executive Directors			
1.	Mr. Janmejay R. Vyas, Chairman & Managing Director	81.37:1	(39.33)%
2.	Mr. Arpit J. Vyas, Managing Director & CFO	37.30 : 1	(30.55)%
3.	Mrs. Deohooti J. Vyas, Whole-time Director	37.30: 1	(30.55)%
Non-executive Director & Independent Directors			
4.	Mr. Sanjay S. Majmudar, Independent Director	3.77:1	10.00%
5.	Mr. Ashok C. Gandhi, Independent Director	3.12:1	10.00%
6.	Mr. Mark C. Griffiths, Non-Executive Director & Global CEO	-	-
7.	Mr. Subir Kumar Das, Independent Director	2.95:1	10.00%
8.	Mr. Rajendra S. Shah, Independent Director	2.23:1	10.00%
Key Managerial Personnel			
9.	Ms. Shrima Dave, Company Secretary	1.93:1	#

\# Ms. Shrima Dave was appointed as Company Secretary w.e.f. 24/08/2017 of erstwhile DPCL, therefore, no comparison has been given.

$ Percentage decrease reflects reduction in remuneration of Executive Directors whose remuneration is link to the net profit of the Company computed under section 198 of the Companies Act, 2013 and due to amortization of goodwill, the net profit has been reduced compared to the FY 2016-17.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2017-18 increased by 7.83%. The calculation of % increase in Median Remuneration is done based on permanent employees. Also, the unionized employee's/Contract labour whose remuneration is based on periodic settlements has been excluded for this purpose.
3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2018 was 989.
4. 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 2017-18 was 13.27% (excluding rewards in cash or kinds), whereas the total managerial remuneration (excluding independent Directors) for the same financial year has decreased by 35.78%. Increase/decrease in salary of employees other than managerial personnel is decided based on criteria like Company's policy and Performance, Individual Performance, inflation, prevailing industry trends, while managerial remuneration is mostly linked to the Company's net profit calculated as per the provisions of Section 198 of the Companies Act, 2013.
5. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

ANNEXURE D

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

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

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

#The details required under sub-rule 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided on specific request made by any shareholder, which is forming part of this report. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Sr. No.	Name of the Employee	Age (Years)	Designation/ Nature of Duty	Qualification	Experience (Years)	Gross Remuneration received (₹)	Date of Joining*	Last Employment & Position held
A) Personnel who are in receipt of Remuneration aggregating not less than ₹ 1,02,00,000 per annum and employed throughout the year:								
1.	Mr. Janmejay R. Vyas	67	Chairman & Managing Director	B.Sc. (Chemistry) B.Sc. (Tech.)	44	2,72,70,895	17/03/2017	Consultant to various Pharmaceutical Co.'s during 1974 to 1983
2.	Mrs. Deohooti J. Vyas	67	Whole-time Director	B.Sc. (Chemistry)	34	1,25,00,000	17/03/2017	B. R. Laboratories, Proprietress
3.	Mr. Arpit J. Vyas	32	Managing Director & CFO	Chemical Engineer from University of Aston	11	1,25,00,000	17/03/2017	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 ₹ 8,50,000 per month and employed for part of the year :								
NIL								

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

Notes:

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

ANNEXURE E

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended on 31st March, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering **the financial year ended on 31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

(i) Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and notified under the provisions of the Companies Act, 2013.

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

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

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

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

   a. Adequate systems and processes commensurate with its size and operation, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

   b. Identified and complied with following laws applicable to the company:

      i. The Drugs and Cosmetics Act, 1940

      ii. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974

      iii. The Patents Act, 1970

      iv. The Trade Marks Act, 1999

      v. Indian Boilers Act, 1923

We further report that during the period under review

a. Pursuant to the Scheme of Amalgamation and Arrangement approved by Hon'ble High Court of Gujarat vide its order dated 16th December, 2016, on 6th June, 2017 the Company has issued and allotted 16,13,94,272 equity shares of ₹ 2/- each, as fully paid up equity shares to the shareholders of erstwhile Dishman Pharmaceuticals and Chemicals Limited (Transferor Company) in the ratio of 1 (One) fully paid-up equity share of ₹ 2/- each of Dishman Carbogen Amcis Limited (Transferee Company) for every 1 (One) fully paid-up equity share of ₹ 2/- each held by such shareholders in erstwhile Dishman Pharmaceuticals and Chemicals Limited (Transferor Company) whose names appear in the Register of Members / List of Beneficial owners as on the Record Date i.e. on 31st May, 2017.

b. On receipt of SEBI approval for exemption from Rule 19(2)(b) of Securities Contracts Regulation Rules, 1957, the National Stock Exchange Limited (NSE) and the Bombay Stock Exchange Limited (BSE) has issued Listing and Trading Permission Notice on 19th September, 2017 for trading in the shares of the Company from 21st September, 2017.

Place : Ahmedabad
Date : 16/05/2018

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

CS Ashok P. Pathak
Proprietor
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.

ANNEXURE- I TO SECRETARIAL AUDIT REPORT

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

Our report of 16th May, 2018 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 reasonable 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 reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad
Date : 16/05/2018

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

CS Ashok P. Pathak
Proprietor
C P No.: 2662

ANNEXURE F

A. CONSERVATION OF ENERGY

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

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

  Your Company has become a trading and self clearing member of Power Exchange of India Limited (PXIL) from 2nd April, 2012 and presently Abellon Clean Energy Ltd., doing daily power trading bid on behalf of the Company. The Company has also replaced High voltage Lamps, CFL and Mercury lamps with LED lights. These initiatives taken by your Company helped in energy conservation and minimize the cost of production.

  During the year, due to power trading initiative taken by the Company, Company has got benefit of ₹ 20.42 lacs without any capital investment and through replacement of LED light, Company got benefit of ₹ 22.61 lacs with two years replacement warranty.

B. TECHNOLOGY ABSORPTION

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

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

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

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

- **FUTURE PLAN OF ACTION**

  Your Company has created a state-of-the-art R & D center and cGMP pilot facility at Bavla plant. The Company has been investing aggressively in its R & D activities to the level of 5.54% of its turnover over and above CRAMS R&D expenditure and continues augmenting R & D capabilities & productivity through technological innovations, use of modern scientific and technological techniques, training and development.

EXPENDITURE ON R & D	(₹ in Crores)
Capital	21.06
Recurring	5.24
Total	**26.30**
Total R & D Expenditure as a percentage of Total Turnover	5.54%

- **TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION**

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

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

  We have also optimized our current processes in order to make them more energy efficient and also reduce the effluent load. We are continuously 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 ₹ 410.29 Crores during the year from ₹ 380.94 Crores during the previous year. The export sales constitute 92.85% of the total net sales of the Company during financial year 2017-2018. The Company is exporting mainly to USA, UK, Germany, Netherland and Japan. Your Company is making aggressive efforts to increase exports and develop new export markets.

FOREIGN EXCHANGE EARNING AND OUTGO		(₹ in Crores)
Particulars	**Year ended 31st March, 2018**	Year ended 31st March, 2017
Total Foreign exchange expenditures	**12.60**	11.58
Total Foreign exchange earnings*	**455.23**	405.34

* FOB value of export sales and dividend received from subsidiaries.

ANNEXURE G

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 17th March, 2017. **(i) Overview:** Outline of CSR Policy - Dishman Carbogen Amcis Limited has always been committed to the cause of social service and have repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. As an integral part of our commitment to Good Corporate Citizenship, DISHMAN believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around 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. In order to leverage the demographic dividend of our country, 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 at Dishman shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives. **(ii) CSR Projects:** 1. Community healthcare, sanitation and hygiene, including, but not limited to: (1) Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc. (2) Providing financial assistance to deserving people for specialized medical treatment in any medical institution. (3) Establishment and management of state-of-the-art healthcare infrastructure with high level of excellence. (4) Activities concerning or promoting: a. General health care including preventive health care b. Safe motherhood c. Child survival support programs d. Health / medical camps e. Better hygiene and sanitation f. Adequate and potable water supply, etc.

		2 Education and knowledge enhancement, including, but not limited to: (1) Establishment and management of educational and knowledge enhancement infrastructure. (2) Providing financial and/or other assistance to the needy and/or deserving students. (3) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports. (4) Facilitate enhancement of knowledge and innovation in the educational Agencies. (5) Contribution to technology incubators located within academic institutions which are approved by the Central Government. **3 Social care and concern, including, but not limited to:** (1) Creating Public awareness (2) Protection and upgradation of environment including ensuring ecological balance and related activities. (3) Rural development projects (4) Others: a. Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. b. Providing assistance to institutes of credibility involved in areas of social care, including: • Preservation of heritage • Animal welfare, social welfare and related matters • Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. c. Other humanitarian activities.
2	The Composition of the CSR Committee	1. Mr. Janmejay 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	₹ 820.59 Lacs
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 16.41 Lacs
5	Details of CSR spent during the financial year.	
	(1) Total amount to be spent for the F.Y.	₹ 17 Lacs
	(2) Amount unspent , if any;	NIL
	(3) Manner in which the amount spent during the financial year :	The manner in which the amount is spent is detailed in the Annexure I.
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board report	Not Applicable
7	A responsibility statement of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company	Yes, The CSR Committee of Company's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy.

The Board of Directors at their meeting held on 17th March, 2017 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 / through implementing agency) on priority basis in its Thrust 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 / registered NGO/ Section 8 Company fulfilling the criteria under the Act.

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

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

The CSR Policy can be accessed at – www.dishmangroup.com
(URL: http://www.dishmangroup.com/Files/DishmanGroup/Investor-Relations/Corporate%20Social%20Responsibility%20Policy.pdf)

Annexure I

CSR ACTIVITIES AT DISHMAN (in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Sector in which the project is covered**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead**	**Cumulative Expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1.	Digitizing School Project/ Smart Class Development Project	Various areas of Ahmedabad District, Gujarat	Education	17,00,000	17,00,000	17,00,000	Through YUVA Unstoppable (NGO)
		Total		**17,00,000**	**17,00,000**	**17,00,000**	

Note: The details of CSR activities/ projects are also described on Page Nos. 30 & 31 of this Annual Report.

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

ANNEXURE H

BUSINESS RESPONSIBILITY REPORT (BRR) FOR THE FINANCIAL YEAR 2017-18

As per Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to give Business Responsibility Report as part of its Annual Report. Dishman is pleased to present its second BRR for 2017-18 based on the suggested framework provided by SEBI.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L74900GJ2007PLC051338
2.	Name of the Company	Dishman Carbogen Amcis Ltd. [formerly Carbogen Amcis (India) Limited].
3.	Registered Address	Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009, Gujarat.
4.	Website	www.dishmangroup.com
5.	E-mail id	grievance@dishmangroup.com
6.	Financial Year reported	01.04.2017 to 31.03.2018
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Pharma Sector under Group 210, Class 2100 and sub-Class 21001 as per the National Industrial Classification 2008
8	List three key product/services that the Company manufactures/ provides (as in balance sheet)	1. EPROSARTAN MESYLATE 2. BENZETHONIUM CHLORIDE USP 3. Brinzolamide Intermediate II
9	Total number of locations where business activity is undertaken by the Company: a) No. of International Locations b) No. of National Locations	The Company's business and operations are spread across different geographies. The Company do its business throughout the globe through its Indian offices/plants and sixteen subsidiaries and details whereof are provided in this Annual Report under head "Company Information" and "Our Global Footprints".
10	Markets served by the Company (Local/ State/National/International)	As a global CRAMs player, the Company has a significant presence nationally and globally.

Section B: Financial Details of the Company

1	Paid up capital (₹)	32.28 Crores
2	Total turnover (₹)	441.89 Crores
3	Total Profit after taxes (₹)	37.08 Crores
4	Total Spending on CSR as percentage of profit After tax	2.00%
5	List of activities in which expenditure in 4 above has been incurred	The Company has undertaken following CSR Projects/Activities: a) Digitizing School Project/ Smart Class Development Project For detailed Report on expenditure incurred towards CSR activities during the financial year 2017-18, pl. refer Annexure G of the Board's Report.

Section C: Other Details

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

Section D: BR Information

1. Details of Director / Directors responsible for BR:

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

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

b) Details of the BR Head:

Sr. No	Particulars	Details
1	DIN (if applicable)	NA
2	Name	Mr. Harshil R. Dalal
3	Designation	Sr. VP, Finance & Accounts
4	Telephone Number	02717-420102/124
5	E mail Id	grievance@dishmangroup.com

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

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

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

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

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

* The Company has formulated certain internal guidelines which are also aligned to the values underlying the herein stated Principles.

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

Y - Yes, N - No

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

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

3. Governance related to BR:

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

Section E: Principle-wise Performance

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

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

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

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	1) High Potent API 2) Antiseptic and Disinfectant Formulations 3) Cholesterol & Vitamin D related Products
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	
	a. Reduction during sourcing / production / distribution achieved since the previous year through the value chain:	The company is strengthening sustainable sourcing, production and distribution practices ensuring quality and safety of raw materials, API, intermediates and packaging materials procured from suppliers as well as of products manufactured, stored and distributed throughout the value chain. Our Company prefers to enter into long term commitments with those suppliers who fulfil their responsibility towards society as well as environment. The Company has laid down a robust process for vendor evaluation and selection mechanism. The Company also emphasis on safe transportation, optimization of logistics and reduction of vehicular air emissions.
	b. Reduction during usage by consumers (energy, water) achieved since the previous year?	The company makes every effort to be environment-friendly and takes steps to be in compliance with the best practices. The company is committed to improve the energy and water footprints by reducing the power and fuel consumption and has been able to reduce related costs. On the environment front, Company has adopted principles of natural resource conservation, reuse, reduce, recycle and waste minimization. All our manufacturing facilities are inspected by the leading regulators agencies of US, Swiss, Japan, India, etc. as well as by Customers. The approvals are given after a thorough audit of standard operating procedures and protocols. Hence, utmost care is taken to ensure that products conform to stringent quality standards. Most of the Company's facilities have received various environment audit certifications/ recognitions such as ISO 14001:2015 for EMS, ISO 9001:2015 for QMS and BS OHSAS 18001:2007 for Occupational, Health and Safety Management systems. The company is also certified EN/ISO 13485:2012 for Medical Device Quality Management System for Disinfectant Products. The Company's efforts are also recognized by State Level, National Level and International Level Awards from time to time. Indian Chemical Council (ICC) has authorized the Company for use of Responsible Care Logo, for three years, with effect from September-2016 to August-2019. The Company is also taking various energy reduction initiatives year on year and achieving the energy reductions through its sustainable initiatives.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Sustainability in the operations is critically important if the Company is to deliver continued innovation. In the best interests of human beings, the Company endeavor to work with responsible suppliers who adhere to the same quality, social and environmental standards. The Company has standard operating procedures for the evaluation and selection of its vendors for sourcing of material. This includes sample approvals, performance trials, plant audit and regulatory clearances. All procurement of materials is from the approved suppliers. The Company has system of identifying or developing alternate vendors where single vendor is considered critical for business continuity. In past few years alternate sourcing for more than 90% of critical materials have been approved and regulatory approval have been received or is in process.
4	Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company consciously endeavours to procures goods and services from the local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation. The Company provides detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors. In some cases, the company has provided development support to the smaller companies to be able to develop manufacturing processes and reduce analytical burden. This enables us in achieving multiple benefits like a) Shorter turn-around times for delivery b) Quicker resolution of issues pertaining to material quality c) Contribute to the local economy thereby enhancing sustainability of our operations Further, the Company fulfills its manpower requirement by employing the people from the nearby location where it has its business operation to the possible extent.
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements. Every manufacturing facility has its own Effulent Treatment Plant, which ensures discharge of waste below the norms prescribed by respective pollution control boards.

Principle 3: Business should promote the wellbeing of all employees

<table>
<tr><td>1</td><td>Please indicate total number of employees</td><td>989</td></tr>
<tr><td>2</td><td>Please indicate total number of employees hired on temporary / contractual / casual basis</td><td>104 (including Trainees)</td></tr>
<tr><td>3</td><td>Please indicate the number of permanent women employees</td><td>56</td></tr>
<tr><td>4</td><td>Please indicate the number of permanent employees with disabilities</td><td>5</td></tr>
<tr><td>5</td><td>Do you have an employee association that is recognized by the Management?</td><td>The Company does not have an employee association that is recognized by the Management</td></tr>
<tr><td>6</td><td>What percentage of permanent employees is members of this recognized employee association?</td><td>N.A.</td></tr>
<tr><td>7</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td>The Company does not employ any child labour or forced / involuntary labour.

The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year</td></tr>
<tr><td>8</td><td>What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?</td><td><table>
<tr><td></td><td></td><td>safety training</td><td>skill up-gradation training</td></tr>
<tr><td>A.</td><td>Permanent employees</td><td>69%</td><td>74%</td></tr>
<tr><td>B.</td><td>Permanent women employees</td><td>54%</td><td>76%</td></tr>
<tr><td>C.</td><td>Casual / Temporary / Contractual employee</td><td>78%</td><td>7%</td></tr>
<tr><td>D.</td><td>Employees with disabilities</td><td>100%</td><td>90%</td></tr>
</table></td></tr>
</table>

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

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

Principle 5: Business should respect and promote human rights:

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

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

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

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

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

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

Principle 8: Business should support inclusive growth and equitable development

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

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

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

ANNEXURE - I

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND, SCOPE PURPOSE AND EFECTIVE DATE

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations).

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulation), which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Dishman Carbogen Amcis Limited (the "Company") being one of the top five hundred listed company as per the criteria mentioned above, the Company has approved and adopted this Dividend Distribution Policy (the "Policy").

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders.
- Issue of Bonus Shares by the Company.
- Buyback of Securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

2. DEFINITIONS

- ***"Board" shall*** mean Board of Directors of the Company.
- ***"Companies Act"*** shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.
- ***"Dividend"*** includes any interim dividend.
- ***"Listed Entity / Company"*** shall mean Dishman Carbogen Amcis Limited
- ***"Policy"*** means Dividend Distribution Policy.
- ***"Regulations"*** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.
- ***"Stock Exchange"*** shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956.

3. POLICY

A. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

i. Proposed expansion plans requiring higher capital allocation.

ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow.

iii. Requirement of higher working capital for the purpose of business of the Company.
iv. Proposal for buy-back of securities.
v. In the event of loss or inadequacy of profit.

B. FINANCIAL PARAMETERS AND FACTORS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters:

i. Operating cash flow of the Company
ii. Profit earned during the year
iii. Profit available for distribution
iv. Earnings Per Share (EPS)

C. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED WHILE DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon the following internal and external factors:

Internal Factors:

i. Working capital requirements
ii. Capital expenditure requirement
iii. Business expansion and growth
iv. Likelihood of crystallization of contingent liabilities, if any
v. Additional investment in subsidiaries and associates of the company
vi. Up gradation of technology and physical infrastructure
vii. Creation of contingency fund
viii. Acquisition of brands and business
ix. Cost of Borrowing
x. Past dividend payout ratio / trends

External Factors

i. Economic environment
ii. Capital markets
iii. Global conditions
iv. Statutory provisions and guidelines
v. Dividend payout ratio of competitors

D. UTILIZATION OF THE RETAINED EARNING

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Modernization plan
- Diversification of business
- Long Term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Such other criteria's as the Board may deem fit from time to time

E. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

4. MANNER OF DIVIDEND PAYOUT

In case of final dividend:

i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

In case of interim dividend:

i. Interim dividend, if any, shall be declared by the Board.

ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

5. DISCLOSURES

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.dishmangroup.com

6. POLICY REVIEW AND AMENDMENTS

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

Corporate Governance Report

As the members are aware that the erstwhile listed Company Dishman Pharmaceuticals and Chemicals Limited has been merged into the Company w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. Before merger shares of the Company are not listed on any stock exchanges. Pursuant to the Scheme of merger/ Amalgamation, the equity shares of the Company have been listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) w.e.f. 21st September, 2017. Upon merger, the Company has complied with all the requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015.

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

Our Corporate Governance framework ensures that we make timely disclosure and share accurate information regarding our financial and performance, as well as leadership and governance of the Company.

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

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

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. KOTAK COMMITTEE ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on 28th March, 2018 of the Kotak Committee on Corporate Governance and consequently, on 9th May, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

3. BOARD OF DIRECTORS

(a) Composition

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

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

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

(b) Information on Board of Directors

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

Names and Categories of the Directors on the Board, Number of other directorship & chairmanship/membership held by them in other companies during the year 2017- 2018 is given below:

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

* Excluding Directorship in the Company.

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

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

(c) Board Membership Criteria

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

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

Five (5) Board Meetings were held during the year 2017-2018. The dates on which the Board meetings were held are: 3rd April, 2017, 16th May, 2017, 10th August, 2017, 9th November, 2017 and 24th January, 2018**.**

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 is placed before the Board for information and/or its approval.

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

The information as required under Regulation 17 (7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda. As required under Regulation 17(3) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2017- 2018 is given below:

Name of Director	No. of Board Meeting held & attended during 2017-2018 03.04.17 (1)	16.05.17 (2)	10.08.17 (3)	09.11.17 (4)	24.01.18 (5)	Total attended	% of attendance	Whether attended Last AGM held on 28th September, 2017
Mr. Janmejay R. Vyas	✓	✓	✓	✓	✓	5	100	No
Mrs. Deohooti J. Vyas	✓	✓	✓	x	✓	4	80	No
Mr. Arpit J. Vyas	✓	✓	✓	$\boxed{\checkmark}$	✓	5	100	Yes
Mr. Mark C. Griffiths	x	✓	x	x	✓	2	40	Yes
Mr. Sanjay S. Majmudar	x	✓	✓	✓	✓	4	80	Yes
Mr. Ashok C. Gandhi	x	✓	✓	✓	✓	4	80	Yes
Mr. Subir Kumar Das	x	✓	✓	✓	✓	4	80	Yes
Mr. Rajendra S. Shah	x	✓	✓	✓	x	3	60	No

✓ - Attended in person   x - Leave of Absence $\boxed{\checkmark}$ - Present through video conferencing

(e) Disclosure of Relationship between Directors inter se

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

(f) Shareholding of Non-Executive Directors

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

(g) Code of Conduct

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. The said Code of Conduct has been posted on the Company's website www.dishmangroup.com. A declaration in respect of affirmation on compliance with Code of Conduct, by the Board Members and senior management personnel for the financial year ended on March 31, 2018, duly signed by Chairman & Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

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

Mrs. Deohooti J. Vyas, Whole-time Director is retiring at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Board of Directors on recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Arpit J. Vyas as Managing Director of the Company for the further period of 5 (five) years with effect from June 1, 2019, subject to approval of shareholders, as his current term of office is up to May 31, 2019.

The term of office of Mr. Ashok C. Gandhi and Mr. Sanjay S. Majmudar, as an Independent Director, will expire on March 31, 2019. The Board of Directors, on recommendation of Nomination and Remuneration Committee has recommended re-appointment of Mr. Ashok C. Gandhi and Mr. Sanjay S. Majmudar, as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office.

The brief resume and other information required to be disclosed under Regulation 26 (4) and 36(3) of SEBI (LODR) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

(i) Familiarization Programme for Independent Director

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

4. 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.

(a) Terms of reference and Powers

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

With the introduction of SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner. As per the said notification dated 9th May, 2018, the role of the Audit Committee has been amended by addition of one new role of Audit Committee i.e. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary. Accordingly, the Company has revised the role of Audit Committee in the meeting of Board of Directors held on 16th May, 2018. Further, other than role of the Audit Committee, there is no change in other matters including Terms of Reference, the matters which is mandatorily reviewed by the Audit Committee, constitution, etc.

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

(b) Composition

The Board of Directors of the Company has constituted an Audit Committee on 17th March, 2017. 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 Regulation 18 of SEBI (LODR) Regulations, 2015. The present composition of the Audit committee during the financial year 2017-2018 is as follow:

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

(c) Audit Committee Meetings

Four [4] Audit Committee Meetings were held during the year 2017-2018. The dates on which the Audit Committee Meetings were held are: 16th May, 2017, 10th August, 2017, 9th November, 2017 and 24th January, 2018.

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

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.

Company Secretary acts as Secretary to the Committee.

Mr. Sanjay S. Majmudar, Chairman of Audit Committee, attended the last Annual General Meeting held on 28th September, 2017.

Names of the members on the Committee, their Attendance in the Audit Committee Meetings, % of attendance during the year 2017- 2018 is given below:

Name of Member	No. of Audit Committee Meeting held & attended during 2017-2018				Total attended	% of attendance
	16.05.17 (1)	10.08.17 (2)	09.11.17 (3)	24.01.18 (4)		
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	4	100
Mr. Ashok C. Gandhi	✓	✓	✓	✓	4	100
Mr. Subir Kumar Das	✓	✓	✓	✓	4	100

✓ - Attended in person × - Leave of Absence

5. NOMINATION AND REMUNERATION COMMITTEE

(a) Composition

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation, 2015, Nomination and Remuneration Committee has been constituted by the Board of Directors on 17th March, 2017. Presently the "Nomination and Remuneration Committee" comprises following qualified and independent Directors being a member of the Committee.

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

(b) Nomination and Remuneration Committee Meeting

During the year, one [1] Nomination and Remuneration Committee ("NRC") meeting was held on 16th May, 2017, which was attended by all the three Members. The Committee has also passed circular resolution on 23rd January, 2018 pertaining to approval of Appointment of Mrs. Saloni A. Vyas, a Related Party under Section 2(76) of the Companies Act, 2013 to hold an office or place of profit in CARBOGEN AMCIS AG, Switzerland (CAAG), a wholly owned subsidiary of the Company.

The Chairman of the NRC, Mr. Sanjay S. Majmudar was present at the last Annual General Meeting of the Company held on 28th September, 2017.

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

Terms of Reference and role of the NRC cover the matters specified in SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, which inter alia, includes the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and carrying out evaluation of performance of every Director;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommending and Determining remuneration of the Executive Directors as per the Policy.

With the amendment made in Section 178 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017, which became effective from 7th May, 2018, the role of the NRC has been amended by addition of one new role i.e. "specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance".

Further, with the introduction of SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the NRC has also been amended by addition of one new role of NRC i.e. "to recommend to the board, all remuneration, in whatever form, payable to senior management".

Accordingly, the Company has revised the terms of reference of NRC in the meeting of Board of Directors held on 16th May, 2018. Further, other than role of the NRC, there is no change in other matters including Terms of Reference, constitution, etc.

(d) Performance evaluation criteria for independent directors:

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

(e) Salient features of policy on remuneration of directors, key managerial personnel & senior employees:

The Company has formulated the remuneration policy for its directors, key managerial personnel and Senior Employees keeping in view the following objectives:

- to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(1) Criteria for Selection of Directors:

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee ("NRC") satisfies itself with regard to the independence nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. NRC ensures that the candidate identified for Appointment / Re- Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.

d. NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

(2) Criteria for Selection of KMP/Senior Management:

a. NRC ensures that the candidate possesses the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

b. NRC considers the practice and encourage professionalism and transparent working environment.

c. NRC considers to build teams and carry the team members along for achieving the goals/objectives and corporate mission.

(3) Remuneration:

A. Remuneration to Executive Directors and KMP:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

ii) The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the KMP of the Company.

iii) The remuneration structure to the Executive Directors and KMP shall include the following components:

- Basic Pay
- Perquisites and Allowances
- Stock Options
- Commission (Applicable in case of Executive Directors)
- Retiral benefits

B. Remuneration to Non-Executive Directors:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

C. Remuneration to Senior Employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

6. Remuneration of Directors

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

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

(b) Disclosures with respect to remuneration:

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

Executive & Whole-Time Directors

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Whole-time Directors, subject to the approval of Members and Central Government, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of all executive and whole time directors is contractual as per the Company's policy.

The Company have three whole-time Directors on its Board, who are eligible to draw remuneration as under as per the Board and Shareholder's approval. The details of remuneration paid to Managing and Whole-time Directors during the year 2017-2018 are as follows :

(₹ In Lacs)

Name & Designation of the Director	Salary/ Remuneration (p.a.)	Perquisites & Allowances	Performance Linked Bonus/ Commission	Stock Options
1. Mr. Janmejay R. Vyas, Chairman & Managing Director	272.71	Nil	Nil	Nil
2. Mrs. Deohooti J. Vyas, Whole-time Director	125.00	Nil	Nil	Nil
3. Mr. Arpit J. Vyas, Managing Director & CFO	125.00	Nil	Nil	Nil

Apart from remuneration received from the Company, Mr. J. R. Vyas, Chairman & Managing Director of the Company, has also received remuneration for an amount of GBP 7,865 (equivalent to INR 7,18,389/-) per month as a Director from one of the Foreign wholly owned subsidiary company namely Dishman Europe Ltd.

Also, Mr. Arpit J. Vyas, Managing Director & CFO of the Company has also received remuneration as a Director from two Foreign wholly owned subsidiary companies namely Dishman Europe Ltd., for an amount of GBP 9,167 (equivalent to INR 8,37,314/-) per month, and CHF 27,502/- (equivalent to INR 18,80,037/-) per month from CARBOGEN AMCIS AG., Switzerland.

Terms of Appointment of Directors

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/ reappointment are given in Notice of the 11th 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. Janmejay R. Vyas, Chairman & Managing Director

Tenure: 5 (Five) years w.e.f. 1st March, 2015. The period of office of Mr. Janmejay 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, read with Schedule V thereto, the remuneration payable to Mr. Janmejay 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 : 5(Five) Years w.e.f. 3rd September, 2016. The period of office of Mrs. Deohooti J. Vyas shall be liable to determination by retirement of Director by rotation.

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

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

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

Tenure : 5(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.

Note : Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 16th May, 2018 has re-appointed Mr. A. J. Vyas as Managing Director of the Company for a further period of five years w.e.f. 1st June, 2019, subject to approval of members at the General Meeting. For this purpose, an Ordinary Resolution is being proposed in the Notice of this Annual General Meeting.

II. Non-Executive & Independent Directors

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

Commission & Sitting fees to Non-executive Directors

The details of payment of commission and sitting fees paid to Non-Executive & Independent Directors for the FY 2017-18 are as under:

(₹ In lacs)

Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Sanjay S. Majmudar	12.65	3.00
2.	Mr. Ashok C. Gandhi	10.45	2.80
3.	Mr. Subir Kumar Das	9.90	2.00
4.	Mr. Rajendra S. Shah	7.70	0.60

The Company also reimburses out of pocket expenses incurred by the Directors for attending Board & Committee meetings.

(C) Stock Option

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

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) Composition

The Company has constituted Stakeholders Relationship Committee on 17th March, 2017. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to investors including share related matters and redressal of grievances of Security holders. The Committee comprises three [3] directors and committee functions under the Chairmanship of an independent director. The present composition of the Stakeholders Relationship Committee during the financial year 2017-2018 is as follow:

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

(b) Stakeholders' Relationship Committee Meetings:

Four [4] meetings were held during the year 2017-2018. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 16th May, 2017, 10th August, 2017, 9th November, 2017 and 24th January, 2018.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2017-2018 is given below:

Name of Member	No. of Stakeholders Relationship Committee Meeting held & attended during 2017-2018				Total attended	% of attendance
	16.05.17 (1)	10.08.17 (2)	09.11.17 (3)	24.01.18 (4)		
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	4	100
Mr. Ashok C. Gandhi	✓	✓	✓	✓	4	100
Mr. Janmejay R. Vyas	✓	✓	✓	✓	4	100

✓ - Attended in person × - Leave of Absence

Mr. Sanjay S. Majmudar, Chairman of Stakeholders' Relationship Committee of the Company, attended the last Annual General Meeting held on 28th September, 2017.

(c) Terms of reference and Powers

The Company has adopted terms of reference and role of Stakeholders Relationship Committee as per Section 178 the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

With the introduction of SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the Stakeholders Relationship Committee has been amended by substituting new roles of Stakeholders Relationship Committee. Accordingly, the Company has revised the role of Stakeholders Relationship Committee in the meeting of Board of Directors held on 16th May, 2018 as follow:

Role of Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(d) Other information

- To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's RTA namely Link Intime India Pvt. Ltd., Mumbai under the supervision and control of the Company Secretary/Compliance Officer of the Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.

- **Name, Designation and address of the Compliance Officer**

  Ms. Shrima Dave, Company Secretary
  Dishman Carbogen Amcis Ltd.
  Dishman Corporate House, Opp. Jayantilal Park BRTS Bus Stop, Iscon – Bopal Road, Ambli, Ahmedabad – 380 058
  Tel. No.: 02717-420102/124, Email : grievance@dishmangroup.com

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

- **Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2017-2018.**

Quarter-wise Summary of Investors' Complaints received and resolved

Quarter Period From	To	Opening	Received	Resolved	Pending
01/04/2017*	30/06/2017*	1	NIL	1	NIL
01/07/2017	30/09/2017	NIL	NIL	NIL	NIL
01/10/2017	31/12/2017	NIL	9	8	1
01/01/2018	31/03/2018	1	2	2	1

*Filling of Investor Complaint Report under Regulation 13(3) of SEBI (LODR) Regulations, 2015 was not applicable to the Company till 20/09/2017, since the Company was unlisted company. The equity shares of the Company have been listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) w.e.f. 21st September, 2017 pursuant to Scheme of Amalgamation. The complaint mentioned in the table for the period 01/04/2017 to 30/06/2017 was pertaining to shareholders of erstwhile DPCL, received by the Company.

(e) Non-receipt/Unclaimed dividends or Securities

In case of non-receipt of dividend or request for unclaimed dividend including Interim Dividend for the FY 2010-11 till FY 2016-17, shareholders are requested to write an application on plain paper to the Company at following address.

Company Secretary/Compliance Officer,

Dishman Carbogen Amcis Ltd.
Dishman Corporate House, Opp. Jayantilal Park BRTS Bus Stop,
Iscon – Bopal Road, Ambli, Ahmedabad – 380 058
Contact No.: 02717-420102/124, Email : grievance@dishmangroup.com

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

(f) Amount Transferred to IEPF Account

As per the provision of Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. As the dividend declared in year 2009-2010, the seven years completed on 29th August, 2017, the Company has transferred the unpaid or unclaimed dividend amount for the financial year 2009-2010, to the IEPF on 25th September, 2017.

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

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

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

(h) Details of Unclaimed Shares

As per the Clause 5A of the erstwhile Listing agreement, as on 1st April, 2016, erstwhile DPCL has one case consists of 250 unclaimed shares, allotted under the Initial Public Offer (IPO) of erstwhile DPCL during the year 2004. The erstwhile DPCL has opened separate demat suspense account with the Depository Participant namely Bank of India, Navrangpura, Ahmedabad and transferred the outstanding unclaimed shares to the said Account and rights relating to these shares shall remain frozen till the rightful owner of such shares claim the shares as per the procedure prescribed under the said clause. During the year Company has not received any request on said unclaimed shares. On 27th December, 2017, the Company has transferred such 500 shares (including Bonus shares issued) to the Investor Education and Protection Fund (IEPF) of the Central Government as per new Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). Therefore, as on 31st March, 2018 there was NIL shares in demat suspense account.

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

Particulars	At the beginning of the year	Approached for unclaimed shares during the year	Credit effected during the year	Number of shares transferred to IEPF of the Central Government during the year	At the end of the year
No. of outstanding Shareholders	1	NIL	NIL	1	NIL
No. of outstanding unclaimed shares	500	NIL	NIL	500	NIL

Pursuant to the said IEPF Rules, the erstwhile DPCL has to transfer the Equity shares in respect of which dividend has not been claimed/encashed for seven or more consecutive years to the Investor Education and Protection Fund (IEPF) of the Central Government. In this regard, during the Financial Year 2017-18, after completing necessary procedure prescribed in the said IEPF Rules, the Company had transferred entire 1,472 equity shares (including 500 equity shares lying in unclaimed suspense account) to the Investor Education and Protection Fund pursuant to Section 124 (6) of the Companies Act, 2013 read with Rule 6 of the IEPF Rules. The details of such Shareholders are available at the website of the Company at www.dishmangroup.com. The voting rights on the shares transferred to IEPF of the Central Government shall remain frozen till the rightful owner claims the shares. Please note that once such shares are transferred to the IEPF, the same can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.

8. Corporate Social Responsibility (CSR) Committee

a) Constitution & Composition of CSR Committee

The Company has constituted CSR Committee on 17th March, 2017 as required under Section 135 of the Companies Act, 2013 and rules framed there under.

The composition of the CSR Committee is given below:

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

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

b) Corporate Social Responsibility (CSR) Committee Meetings:

During the year under review, CSR Committee Meeting was held on 16th May, 2017 where all members were present. The Committee has also passed circular resolutions on 20th March, 2017.

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

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities.

3. To monitor the implementation of framework of CSR Policy.
4. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

d) CSR Policy

Your Company has formulated a CSR Policy, which is uploaded on the Company's website www.dishmangroup.com.

9. Information about General body meetings:

(a) Annual General Meeting

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

Year	Venue	Date	Time
2014-201	Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380009	30/09/2015	01:00 p.m.
2015-2016	Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380009	30/09/2016	01:00 p.m.
2016-2017	H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015	28/09/2017	10:00 a.m.

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

Year	Date of AGM	No. of Resolutions Passed	Particulars
2014-2015	30/09/2015	NIL	NA
2015-2016	30/09/2016	NIL	NA
2016-2017	28/09/2017	NIL	NA

(c) Postal Ballot Resolutions

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

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

No Special resolution is proposed to be conducted through postal ballot. However, the Board at its meeting held on 24th January, 2018 intended to pass Ordinary Resolution through Postal Ballot regarding appointment of Mrs. Saloni A. Vyas, a Related Party under Section 2(76) of the Companies Act, 2013 to hold an office or place of profit in CARBOGEN AMCIS AG, Switzerland (CAAG), a wholly owned subsidiary of the Company as Global Marketing Head (Vitamin D & Analogues) with a remuneration of INR 1.00 Crore or equivalent in foreign currency per annum w.e.f. 1st April, 2018.

9. MEANS OF COMMUNICATION

(a) 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.

(b) Newspapers wherein results normally published

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

(c) Website, News Releases, Presentation etc.

The Company's results, annual reports and official news releases are displayed on the Company's web-site 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 and the presentation made to analysts and investors are uploaded on the website of the Company. Also, transcripts of Con-call made with institutional investors and analysts are made available on website of the company.

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.

10. Other Disclosures:

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

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

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

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.

(c) Whistleblower Policy

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

(d) Material Subsidiary

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

(e) Basis of Related Party Transaction

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2017-18. Related party transaction during the year have been disclosed vide note no. 31 of notes on financial statement as per requirement of Ind As 24 on related party disclosure issued by ICAI. These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically. The Board has approved a policy for related party transactions which is uploaded on the website of the Company www.dishmangroup.com.

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

(f) Reporting of Internal Auditor

The Internal Auditor of the 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.

(g) Compliance with the Corporate Governance Code

The Company has complied with all the mandatory Corporate Governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

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

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

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

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

(j) MDA

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

(k) CEO/CFO Certificate

The Chairman & Managing Director AND Managing Director & Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2018 in compliance with as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

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

(l) 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.

(m) Dividend Distribution Policy

As per Regulation 43A of SEBI (LODR) Regulations, 2015, top 500 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. Accordingly, the Board has approved the Dividend Distribution Policy in line with said Regulation. The said policy is available on www.dishmangroup.com. The Policy is annexed as "**Annexure I**" to the Director's Report.

(n) Other Policies

The Company has also formulated Business Responsibility Policy; policy for preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015.

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the Code of Conduct for Prevention of Insider Trading for complying with the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the requirements under the SEBI (LODR) Regulations, 2015.

The said policies are available on the website of the Company.

(o) Conflict of Interest

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

11. General shareholder information

(a) Company Registration Details

The Company is registered under the Companies Act, 1956 with the Office of Registrar of Companies, Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is: L74900GJ2007PLC051338. During the year, pursuant Scheme of Merger, Company has allotted its shares to the shareholders of erstwhile DPCL and get listed on BSE and NSE w.e.f. 21st September, 2017 and consequently the CIN of the Company has been changed from U74900GJ2007PLC051338 to L74900GJ2007PLC051338.

(b) 11th Annual General Meeting

Date & Time	Venue
20th day of September, 2018 at 10.00 a.m.	H.T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

(c) Financial Year

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

Financial Results ended	Timeline
30th June, 2018	- 45 days from end of Quarter 30th June, 2018
30th September, 2018	- 45 days from end of Quarter 30th September, 2018
31st December, 2018	- 45 days from end of Quarter 31st December, 2018
Audited Results for the year ended on 31st March, 2019	- 60 days from end of Financial Year (i.e. on or before 30th May, 2019)

(d) Date of Book Closure

Not Applicable.

(e) Dividend Payment Date

Not Applicable. The Board of Directors of the Company does not recommend any dividend for the financial year ended 31st March, 2018.

(f) Listing on Stock Exchanges

A. Equity Shares

The Company has made allotment of 16,13,94,272 equity shares of the Company to the shareholders of erstwhile DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme of merger on 6th June, 2017. Thereafter, the Company has completed procedure to get the said equity shares listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) the Company has received in-principle approval from BSE and NSE on 20/07/2017 and 14/07/2017 respectively. The Company has received SEBI approval Letter dated 13th September, 2017 approving Listing application seeking exemption from Rule 19(2)(b) of SCRR, 1957. Thereafter, the Company has received Listing /Trading Approval Notices from BSE and NSE on 19/09/2017 to start trading from Thursday, September 21, 2017.

The equity shares of the Company are listed on following two Stock Exchanges having nationwide trading terminals w.e.f. **September 21, 2017**.

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

B. Debt Security

Not Applicable. Presently, there is no debt security is outstanding or listed on any stock exchanges.

- Annual listing fees for the FY 2018-2019, as applicable, have been paid before due date to the concerned Stock Exchanges.
- The Company has also paid Annual custodial fees for the year 2018-2019 as applicable, to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- As on 31st March, 2018, there were 55,333 shareholders of the Company.

(g) Stock Code of Equity Shares of the Company

Bombay Stock Exchange Ltd.	540701
National Stock Exchange of India Ltd.	'DCAL, 'EQ'
Group / Index	B/ S&P BSE 500
ISIN Number in NSDL & CDSL for Equity Shares	INE385W01011

(h) Market Price Data

The table below sets forth, for the periods indicated, the Closing high and low, volume and total volume of trading activity on the BSE and NSE for the equity shares of the Company from 21st September, 2017 (date of Listing/Trading).

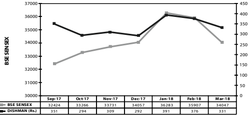
(Price in ₹ Per share)

Month Volume	NSE			BSE			Total
	High	Low	Volume	High	Low	Volume	(NSE & BSE)
Apr-17	NA	NA	NA	NA	NA	NA	NA
May-17	NA	NA	NA	NA	NA	NA	NA
Jun-17	NA	NA	NA	NA	NA	NA	NA
Jul-17	NA	NA	NA	NA	NA	NA	NA
Aug-17	NA	NA	NA	NA	NA	NA	NA
Sep-17*	352.05	306.35	17,18,707	351.25	306.25	4,05,600	21,24,307
Oct-17	337.90	294.09	3,14,744	294.45	339.60	62,608	3,77,352
Nov-17	309.95	278.05	3,52,927	309.10	277.80	2,28,293	5,81,220
Dec-17	326.05	293.45	3,87,516	292.40	326.20	49,864	4,37,380
Jan-18	390.05	316.45	11,35,439	390.55	315.95	1,57,746	12,93,185
Feb-18	375.85	329.35	4,97,335	375.95	328.15	43,645	5,40,980
Mar-18	331.70	300.00	4,89,004	331.30	301.15	1,42,919	6,31,923

*Price from 21st September, 2017 to 30th September, 2017.

(i) Price Movement Chart of DISHMAN V/s. BSE Sensex - from 21st September, 2017 (date of Listing/Trading).

Dishman Monthly High Closing Share Price V/s BSE Sensex Mothly High Closing



(j) Distribution of Shareholding Pattern as on 31st March, 2018

No. of Equity Shares Held	No. of ShareHolders	% of ShareHolders	No. of EquityShares Held	% of totalHolding
1 - 500	48272	87.2391	7610096	4.7152
501 - 1000	3972	7.1784	2947035	1.8260
1001 - 2000	1700	3.0723	2513917	1.5576
2001 - 3000	481	0.8693	1225972	0.7596
3001 - 4000	227	0.4102	819981	0.5081
4001 - 5000	136	0.2458	634170	0.3929
5001 - 10000	240	0.4337	1786479	1.1069
10001 and Above	305	0.5512	143856622	89.1337
Total	**55333**	**100.0000**	**161394272**	**100.0000**

(k) Shareholding pattern as on March 31, 2018

Sr. No.	Category	No. of Shares Held	% of Holding
1	Promoters	99096898	61.40
2	Mutual Fund & UTI	18113524	11.22
3	Alternate Investment Fund	2140316	1.33
4	Bank, Financial Institutions (FI's), Insurance Companies	473580	0.29
5	Foreign Portfolio Investors (FPIs)	15555086	9.64
6	Private Bodies Corporate	3092369	1.92
7	Indian Public	20940191	12.97
8	Any Other		
	(i) Non Resident Indian	946645	0.59
	(ii) HUF	664540	0.41
	(iii) Clearing Members	298971	0.19
	(iv) Independent Directors & Relatives and their holding	67300	0.04
	(v) IEPF	1472	0.00
	(vi) Trust	3380	0.00
	Total 161394272	**100.00**	

(l) Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31st March, 2018, 16,13,91,929 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.

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

The Company has no outstanding GDRs/ADRs/Warrants/Options or any convertible Instruments as on 31st March, 2018.

(n) Commodity Price Risk / Foreign Exchange Risk and Hedging Activities

Company sources its raw material requirement from domestic and international markets. The import bills are paid out of disbursements of foreign currency packing credit loans and the currency risk is avoided to the extent. The Company is major exporter and the Export sales constitute more than 90% of the total sales of the Company. Export proceeds are used to liquidate PCFC loans, leaving surplus in EEFC account for utilization to meet other remittances. Because of natural hedging through substantial export receivables the fluctuations may get offset. However, in view of availability of forex being net earner, repayment obligations are met out of natural hedge.

The Company has also Risk Management framework to pro-actively mitigate the impact through measures like cost-based price increases, cost reduction measures, portfolio rationalization, re-negotiating procurement contracts etc. The Company also develops on an ongoing basis alternate supply sources for key products subject to economic justification.

The Company has significant revenues emanating from overseas countries, which are subject to currency risk, in addition to financing activities. Exchange rate fluctuations could significantly impact earnings and net equity because of invoicing in foreign currencies, expenditures in foreign currencies, foreign currency borrowings and translation of financial statement of overseas subsidiaries into Indian Rupees.

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports.

(o) 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, rematerialistion and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

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

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 40(9) of SEBI (LODR) Regulations, 2015.

(p) 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 Stakeholders Relationship Committee and Meeting of Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

(q) Registrar and Share Transfer Agent (RTA)

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

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

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

(r) Plant Location (Indian Operation)

- **Naroda Plant:**
  Phase - IV, 1216/20, G.I.D.C. Estate, Naroda, Ahmedabad – 382 330. (Also other Plots in Phase-I and IV).
- **Bavla Plant:**
  Survey No. 47, Paiki Sub Plot No. 1, Village - Lodariyal, Taluka- Sanand, District - Ahmedabad. (Also various other Adjacent Plots).

(s) Address of the Correspondence

For Share Transfers / Dematerialization or other queries relating to shares/debentures of the Company (RTA)	For Dividend and listing related queries: Company Address (Secretarial Department)
Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai-400083 Tel. No. 91-22-4918 6000, Fax No.: 91-22-4918 6060 E mail: mumbai@linkintime.co.in	**Dishman Carbogen Amcis Limited** Dishman Corporate House, Opp. Jayantilal Park BRTS Bus Stop, Iscon - Bopal Road, Ambli, Ahmedabad - 380 058 Phone No.: 02717-420102/124 Email: grievance@dishmangroup.com

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

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

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

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on March 31, 2018, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

Date : 16th May, 2018
Place : Ahmedabad

Janmejay R. Vyas
Chairman & Managing Director
DIN – 00004730

CERTIFICATE ON CORPORATE GOVERNANCE

[Certificate of Compliance with the conditions of Regulations 17 to 27 and Clause (b) to (i) of sub-regulation(2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

The erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") has been merged into Dishman Carbogen Amcis Limited ("the company") w.e.f. 17th March, 2017 vide order of Hon'ble High Court of Gujarat dated 16th December, 2016. The Equity Shares of the company have been listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) w.e.f. 21st September, 2017 pursuant to Scheme of Amalgamation. Hence, the requirements of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is applicable to the company w.e.f. 21st September, 2017.

We have examined the compliance of condition of corporate governance by the Company for as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 21st September, 2017 to 31st March, 2018.

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

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

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

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

CS Ashok P. Pathak*
Proprietor
COP No. 2662

Place : Ahmedabad
Date : 16th May, 2018

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

Independent Auditors' Report

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

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 28(i) of the Ind AS Financial Statements detailing the accounting treatment relating to the Scheme involving merger of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Company, which has been accounted in the previous year under the "Purchase Method" as per Accounting Standard 14 – Accounting for Amalgamation (AS 14) in compliance with scheme of Amalgamation pursuant to Section 391 to 394 of Companies Act, 1956 approved by Hon'ble High Court of Gujarat. In accordance with the Scheme, the Company has recognized goodwill on amalgamation amounting to ₹ 1,326.86 Crores which is amortised over its useful life. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) – 'Business Combinations'. Had the goodwill not been amortised as required under Ind AS 103, the Depreciation and Amortisation expense for the year ended March 31, 2018 would have been lower by ₹ 88.46 Crores and Profit before tax for the year ended March 31, 2018 would have been higher by an equivalent amount. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder; as referred to in the Emphasis of Matter paragraph above, the Company has given the accounting treatment of merger as per the Court approved Scheme in compliance with AS-14 "Accounting for Amalgamations" which is different from that prescribed under Ind AS-103 "Business Combinations";

   e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 29 on Contingent Liabilities to the standalone Ind AS financial statements;

      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 12 and 24 to the standalone Ind AS financial statements;

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.103523W / W100048	For V. D. Shukla & Co. Chartered Accountants ICAI Firm Registration No.110240W
Hemant J. Bhatt Partner Membership No. 036834 Place : Ahmedabad Date : May 16, 2018	Vimal D. Shukla Proprietor Membership No.036416 Place : Ahmedabad Date : May 16, 2018

AANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) on the standalone Ind AS financial statements for the year ended March 31, 2018]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) Property, plant and Equipment of erstwhile DPCL were physically verified by the management in earlier year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information & explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as Property, Plant and Equipment in the books of account of the Company as on March 31, 2018 are held in the name of the erstwhile Dishman Pharmaceuticals and Chemicals Limited. Subsequent to merger, the transfer of immovable properties from Dishman Pharmaceuticals and Chemicals Limited into the name of the Company is under process. However, in respect of one lease hold land with gross block of ₹ 104.70 crores and net block of ₹ 101.13 crores, the lease deed has been executed but not registered with the relevant authorities.

(ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) The erstwhile Dishman Pharmaceuticals and Chemicals Limited has granted unsecured loan in earlier years to one company covered in the register maintained under Section 189 of the Act whose outstanding balance as on March 31, 2018 is ₹ 54.46 Crore.

(a) According to the information and explanations given to us, the Company has not granted any loan during the year to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

(b) The schedule of repayment of principal and payment of interest in respect of above loan granted in earlier years has been stipulated. As per the terms of agreement, no repayment of principal or interest was due during the year.

(c) In respect of the aforesaid loan, no amount is overdue as per the terms of agreement.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

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

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Service Tax	0.14	2003-04	High Court
		1.25	2006-07 2008-09 2009-10	Central Excise and Service Tax Appellate Tribunal
		2.09	2006-07 2008-09 to 2015-16	Commissioner of Central Excise (Appeals)
Central Sales Tax Act, 1956	Sales tax	0.24	2001-02	Joint Commissioner, Commercial Tax
		1.18	2006-07	Commercial Tax Gujarat VAT Tribunal
Gujarat Sales Tax, Act	Sales tax	0.07	2001-02, 2007-08	Joint Commissioner, Commercial Tax
		2.84	2006-07	Commercial Tax Gujarat VAT Tribunal
Income Tax Act, 1961	Demand U/S - 143(3)	1.84	FY 2001-02	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3)	4.41	FY 2002-03	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3)	1.51	FY 2003-04	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3)	7.22	FY 2004-05	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	14.32	FY 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 271(1) (C)	3.04	FY 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	14.28	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 271(1) (C)	4.73	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	8.41	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	0.24	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 271(1) (C)	0.47	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.147	1.52	FY 2009-10	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.147	27.07	FY 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.147	41.86	FY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	26.68	FY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	13.89	FY 2013-14	Commissioner of Income Tax (Appeals)

Out of the above, amount paid under protest by the Company for Income-tax is ₹ 48.73 Crore.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, or dues to debenture holders.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of term loans during the year for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable.

The details of related party transaction have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standards (Ind AS) 24, Related party Disclosures specified under section 133 of the Act, read with relevant Rule thereunder.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Hemant J. Bhatt
Partner
Membership No. 036834
Place : Ahmedabad
Date : May 16, 2018

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

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 16, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) on the standalone Ind AS financial statements for the year ended March 31, 2018]

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

We have audited the internal financial controls over financial reporting of Dishman Carbogen Amcis Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.103523W / W100048	For V. D. Shukla & Co. Chartered Accountants ICAI Firm Registration No.110240W
Hemant J. Bhatt Partner Membership No. 036834 Place : Ahmedabad Date : May 16, 2018	Vimal D. Shukla Proprietor Membership No.036416 Place : Ahmedabad Date : May 16, 2018

Balance Sheet
as at 31st March, 2018

(₹ in crores)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	812.04	797.71
(b) Capital work-in-progress	2	16.18	29.20
(c) Goodwill	3	1,039.38	1,127.84
(d) Other intangible assets	3	1.41	1.53
(e) Intangible assets under development		31.71	11.35
(f) Financial assets			
i. Investments	4(a)(i)	2,842.75	2,593.82
ii. Loans	4(c)	38.06	40.23
iii. Others	4(e)	3.42	0.46
(g) Current tax assets (Net)	8	91.00	72.94
(h) Other non-current assets	6	177.76	165.19
Total non-current assets		**5,053.71**	**4,840.27**
Current assets			
(a) Inventories	7	169.09	151.80
(b) Financial assets			
i. Investments	4(a)(ii)	94.35	167.37
ii. Trade receivables	4(b)	140.02	71.18
iii. Cash and cash equivalents	4(d)(i)	17.75	29.86
iv. Bank balances other than (iii) above	4(d)(ii)	3.54	10.45
v. Loans	4(c)	14.69	35.27
vi. Others	4(e)	65.34	55.80
(c) Other current assets	9	248.66	174.86
Total current assets		**753.44**	**696.58**
Total assets		**5,807.15**	**5,536.85**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10(a)	32.28	-
(b) Other equity	10(b)	4,759.30	4,770.74
		4,791.58	**4,770.74**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
i. Borrowings	11(a)	279.38	144.62
(b) Provisions	12	9.27	6.59
(c) Deferred tax liabilities (Net)	13	122.28	95.68
(d) Other non-current liabilities	14	83.77	118.06
Total non-current liabilities		**494.70**	**364.95**
Current liabilities			
(a) Financial liabilities			
i. Borrowings	11(b)	256.97	256.31
ii. Trade payables	11(c)	88.15	58.14
iii. Other financial liabilities	11(d)	117.85	50.59
(b) Other current liabilities	15	56.06	34.86
(c) Provisions	12	1.84	1.26
Total current liabilities		**520.87**	**401.16**
Total liabilities		**1,015.57**	**766.11**
Total equity and liabilities		**5,807.15**	**5,536.85**
Significant accounting policies	1		

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

Place : Ahmedabad
Date : 16th May, 2018

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

Vimal D. Shukla
Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN : 00004730

Deohooti J. Vyas
Whole Time Director
DIN : 00004876

Arpit J. Vyas
Managing Director & CFO
DIN : 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Statement of Profit and Loss
for the year ended 31st March, 2018

(₹ in crores)

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Revenue			
(a) Revenue from operations	16	474.46	451.49
(b) Other income	17	65.66	70.80
Total income		**540.12**	**522.29**
Expenses			
(a) Cost of materials consumed	18(a)	161.84	139.41
(b) Purchases of stock-in-trade		11.21	13.14
(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(b)	(17.74)	(10.48)
(d) Employee benefit expense	19	61.67	66.76
(e) Finance costs	20	35.34	39.17
(f) Depreciation and amortisation expense	21	134.45	135.85
(g) Other expenses	22	91.18	94.53
Total expenses		**477.95**	**478.38**
Profit before exceptional items and tax		**62.17**	**43.91**
Exceptional items		-	-
Profit before tax		**62.17**	**43.91**
Tax expense	23		
(a) Current tax		7.52	9.58
(b) Deferred tax		17.58	10.09
Profit after tax		**37.07**	**24.24**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		0.25	(0.57)
(b) Income Tax effect		(0.09)	0.20
(c) Equity Instruments designated through other comprehensive income		5.83	(0.84)
(d) Income Tax effect		(2.04)	1.34
(B) Will be reclassified to profit or loss-			
(a) (i) foreign exchange fluctuation in respect of cash flow hedge		(33.05)	-
Other Comprehensive Income for the year, net of tax		**(29.09)**	**0.13**
Total Comprehensive Income for the year		**7.98**	**24.37**
Earnings per equity share of face value of ₹ 2/- each:			
(a) Basic earnings per share (in ₹)	33	2.30	1.50
(b) Diluted earnings per share (in ₹)	33	2.30	1.50
Significant accounting policies	1		
The accompanying notes form an integral part of these Financial Statements.			

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN: 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Cash Flow Statement
for the year ended 31st March, 2018

(₹ in crores)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit before tax	**62.17**	**43.91**
Adjustments for		
Depreciation and amortisation expense	134.45	135.85
Gain on Sale of Investments	(1.95)	(3.24)
Loss on disposal of property, plant and equipment	0.08	0.38
Unrealised Foreign Exchange Loss / (Gain)	3.05	(25.51)
Mark to Market gain on forward contracts	-	(19.30)
Interest Income	(9.76)	(7.84)
Dividend Income	(47.75)	(35.37)
Interest Expenses	35.34	39.17
Provision for doubtful debts and advances	(7.34)	0.45
	168.30	**128.50**
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/Decrease in trade receivables	(63.81)	23.86
(Increase)/Decrease in loans and advances	(53.76)	57.20
(Increase) in inventories	(17.28)	(13.81)
Increase in payables and provisions	12.19	111.84
Cash generated from operations	**45.65**	**307.59**
Income taxes paid	(25.59)	(37.21)
Net cash inflow from operating activities	**20.06**	**270.38**
Cash flows from investing activities		
Purchase of property, plant and equipment	(75.20)	(100.57)
Proceeds from sale of property, plant and equipment	0.28	0.31
Investments in liquid instruments (net)	(148.39)	-
Proceeds from sale of investments	-	7.14
Loans and Advances Given to related parties (net)	(8.22)	32.25
Balance Held as Margin Money	5.12	(1.49)
Dividends received	42.04	35.37
Interest received	9.76	7.84
Net cash outflow from investing activities	**(174.61)**	**(19.16)**
Cash flows from financing activities		
Proceeds from borrowings	208.34	135.00
Repayment of borrowings	(32.36)	(292.23)
Proceeds / (Repayment) from short term borrowings (net)	0.65	(6.92)
Expenses for increase in authorise share capital	-	(1.30)
Interest paid	(34.18)	(40.56)
Dividends paid to company's shareholders	-	(19.37)
Net cash inflow (outflow) from financing activities	**142.45**	**(225.38)**

Cash Flow Statement (Contd.)

for the year ended 31st March, 2018

(₹ in crores)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net increase (decrease) in cash and cash equivalents	**(12.11)**	**25.85**
Cash and cash equivalents at the beginning of the financial year	29.86	0.58
Cash and cash equivalents of account of merger of DPCL	-	3.27
Effects of exchange rate changes on cash and cash equivalents	0.00	0.16
Cash and cash equivalents at end of the year	**17.75**	**29.86**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balance with banks		
- in current account	17.58	29.22
- in EEFC account	0.00	0.53
Cash on hand	0.17	0.11
Total Cash and cash equivalents	**17.75**	**29.86**

Note:

1. All figures in bracket are outflow.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. The amalgamation of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Company, being a non cash transaction, has no impact on the Company's cash flow for the year. (Refer Note No. 28(i))
4. The amendments to Ind AS 7 Statement of Cash Flow requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The amendment has become efffective from April 1, 2017 and the required disclosure is made below:

	As at 31 March 2017	Cash Flows		Non-cash changes	As at 31 March 2018
		Proceeds	Repayments	Fair value changes	
Long-Term Borrowings (Current and Non Current)	188.62	208.34	32.40	0.04	364.60
Short-Term Borrowings	256.31	0.65	-	-	256.96

Significant accounting policies 1

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN: 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Statement of changes in equity

for the year ended 31st March, 2018

A. Equity share capital (₹ in crores)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	-	-	2,50,000	0.05
Add: Issued during the year	16,13,94,272	32.28	-	-
Less: Cancellled on account of merger (Refer Note No. 28(i))	-	-	(2,50,000)	(0.05)
Balance at the end of the reporting period	16,13,94,272	32.28	-	-

Statement of Changes in Equity ₹ in crores)

Particulars	Shares suspense account	Securities Premium Reserve	Retained Earnings	Equity instruments through OCI	Cash flow hedge reserves	Total
Balance as on 1st April, 2016	-	-	0.28	-	-	0.28
Profit for the year	-	-	24.24	-	-	24.24
Other Comprehensive Income for the year	-	-	(0.37)	0.50	-	0.13
Total Comprehensive Income for the year	-	-	**23.87**	**0.50**	-	**24.37**
Interim Dividend paid (Refer Note No. 28(iii))	-	-	(19.37)	-	-	(19.37)
Acquired on merger (Refer Note No. 28(i))	-	-	(27.10)	-	-	(27.10)
Expenses debited for increase in authorised share capital	-	-	(1.30)	-	-	(1.30)
Issue of bonus shares by DPCL (Refer Note No. 28(ii))	-	-	(16.14)	-	-	(16.14)
Shares to be issued to shareholders of DPCL (Refer Note No. 28(i))	4,810.00	-	-	-	-	4,810.00
Balance as on 31st March, 2017	**4,810.00**	-	**(39.76)**	**0.50**	-	**4,770.74**
Profit for the year	-	-	37.07	-	-	37.07
Other Comprehensive Income for the year	-	-	0.16	3.80	(33.05)	(29.09)
Total Comprehensive Income for the year	-	-	**37.23**	**3.80**	**(33.05)**	**7.98**
Profit on sale of shares of investment	-	-	-	12.85	-	12.85
Issue of shares	-	4,777.72	-	-	-	4,777.72
Shares issued to shareholders of DPCL (Refer Note No. 28(i))	(4,810.00)	-	-	-	-	(4,810.00)
Balance as on 31st March, 2018	-	**4,777.72**	**(2.53)**	**17.15**	**(33.05)**	**4,759.30**

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN: 00004730

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Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

1.0 Background of the Company

Dishman Carbogen Amcis Limited (CIN: L74900GJ2007PLC051338) is a public company limited by shares incorporated on 17th July, 2007 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat and is engaged in Contract Research and Manufacturing Services (CRAMS) and manufacture and supply of marketable molecules such as specialty chemicals, vitamins& chemicals and disinfectants. The equity shares of Dishman Carbogen Amcis Limited are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges").

2.0 Significant accounting policies

2.1 Basis of Preparation

The Financial Statements of the Company have been prepared and presented in accordance with the

Generally Accepted Accounting Principles (GAAP)under the historical cost convention and on accrual basis of accounting unless stated otherwise. GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (The 'Act'), pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied to all the years presented.

2.2 Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) and other relevant provisions of the Act.

2.3 Inventories

Inventories are valued at cost as per moving weighted average price or net realisable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Inventories of stores and spare parts are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business.

2.4 Property, plant and equipment

Freehold land is carried at historical cost and not depreciated. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including goods and service tax and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located. Properties in the course of construction are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on the subsequent cost capitalisation are depreciated over the remaining useful life of the assets.

Depreciation has been provided on straight line method and in the manner specified in Schedule II of the Companies Act, 2013 based on the useful life specified in Schedule II except where management estimate of useful life is different.

The useful lives have been determined based on technical evaluation done by the management's expert taking into account the nature of the asset, past history of replacement, anticipated technology changes etc, which are different than those specified by Schedule II to the Companies Act; 2013 are given below:-

Assets	Estimated useful life
Plant and Machinery	20/ 13/ 10 years
Electrical Installation	15 years
Laboratory Equipment	20/ 13/ 10 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.5 Goodwill and Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

In respect of business combination that occurred prior to transition date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increase the future economic benefits embodied in the specific assets to which it relates. All other expenditure are recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Estimated useful life
Copyrights, patents and intellectual property rights	5 years
Computer Software	5 years

Goodwill arising on merger of Dishman Pharmaceuticals and Chemicals Ltd (DPCL) with the Company has been recognised as per the Court scheme. Said Goodwill has been amortised in accordance with the Court scheme for which the Company has estimated useful life of 15 years.

Internally generated intangible asset: Research and Development

Expenditure on research activity is recognised as expense in the period in which it is incurred. An internally generated intangible asset arising from development is recognised, if any only if, all of the following conditions have been fulfilled:

- Development costs can be measured reliably
- The product or process is technically and commercially feasible. Future economic benefits are probable and
- The Company intends to and has sufficient resources to complete development and to use or sell the asset.

2.6 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.Other borrowing costs are expensed in the period in which they are incurred.

2.7 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.8 Impairment of non-financial assets

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

2.9 Foreign Currency translation

Functional and Presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are initially recognised in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign exchange differences regarded as an adjustment to the borrowing cost are presented in the Statement of profit or loss with in finance cost. All other foreign currency differences arising on translation are recognised in statement of profit and loss on net basis with in other gain/ (losses).

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are net of returns, trade discount, rebates, sales tax, value added taxes and Goods & Services Tax.

Sale of goods

Revenue from sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Transfers of risks and rewards generally coincides with the delivery of the goods to the customers.

Sales of services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion of the contract is determined based on actual service provided as a proportion of the total service to be provided. Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Dividend and interest income

Dividend is recognised as income when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives

Duty drawback,, MEIS and SEIS benefits are recognized at the time of exports and the benefits in respect of licenses received by the Company against export made by it are recognized as and when goods are imported against them.

2.11 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.12 Taxation

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

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such setoff.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the year

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

2.13 Leases

Finance lease

Leases where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

(i) Classification, recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain and loss on derecognition of the financial instrument measured at amortised cost recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement. Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method. On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit orloss in the period in which arise.	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Change in fair value of such instrument are recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equityinvestmentsmeasured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments are however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement.

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Impairment:

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

(iii) Derecognition of financial assets:

A financial asset is derecognised only when

(a) the company has transferred the rights to receive cash flows from the financial asset or

(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) Foreign exchange gain or losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss except for those which are designated and outstanding as hedging instruments in the hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purpose of recognising foreign exchange gain and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(v) Investments in Subsidiaries:

The Company has availed an option stated under Ind AS 101 and measured investments in equity instruments of subsidiaries at Cost as per Ind AS 27. The Carrying amount is reduced to recognise impairment, if any, in value of investments.

B. Financial liabilities and equity instruments :

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

Classification, recognition and measurement:

(a) Equity Instruments:

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

(b) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost
- at fair value through profit or loss (FVTPL)

(i) Financial liabilities at amortised cost:

The company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

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

Derecognition:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(c) Financial guarantees contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

C. Derivative financial instruments :

Foreign exchange forward contracts are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. Derivative contracts which do not qualify for hedge accounting under Ind AS109, are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through profit or loss. Gain or loss arising from changes in the fair value of the derivative contracts are recognised in other comprehensive income. Realized gain or loss arising on forward contract / hedging instrument relating to forecast sales are included under Other Operating Income in the Statement of Profit and Loss. Derivatives contracts which are qualified for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through other comprehensive income.

D. Offsetting financial instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Fair value measurement:

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.16 Provisions and Contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

2.17 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

2.18 Cash and cash equivalent:

Cash and cash equivalent in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.19 Dividend distribution to equity shareholders:

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

2.20 Earnings per share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.21 Current/ Non-current classification:

An assets is classified as current if:

(a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realised within twelvemonths after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelvemonths after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at lease twelvemonths after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

2.22 Ind AS Standard not yet Effective:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard) w.e.f. April 01, 2018 , which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The New Revenue Standard establishes principles for recognising revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The New Revenue Standard provides additional guidance on areas such as multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property along with significant additional disclosures in relation to revenue. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company continues to evaluate the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
ii. Ind AS 40 - Investment Property
iii. Ind AS 12 - Income Taxes
iv. Ind AS 28 - Investments in Associates and Joint Ventures and
v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

2.23 Significant accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

a. Useful lives of property, plant and equipment and Goodwill: Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised. The goodwill recorded on merger has been amortised based on its estimated benefit / estimated useful life of 15 years.

b. Arrangement containing lease: At the inception of an arrangement whether the arrangement is or contain lease. At the inception or reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are not in the nature of leases.

c. Service Income: The Company uses the percentage of completion method in accounting for its fixed price contract. Use of percentage of completion requires the Company to estimate the service performed to date as a proportion of the total service to be performed. Determination of the stage of completion is technical matter and determined by the management experts.

d. Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

e. Defined benefit plan: The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f. Allowances for uncollected accounts receivable and advances: Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

g. **Allowances for inventories:** Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

h. **Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

   In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

i. **Taxation:** Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

j. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

Note 2: Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office equipment & Computer & Printers	Electrical Installations	Laboratory Equipments	Total	Capital work-in-progress
Year ended 31 March, 2017											
Gross carrying amount											
Opening gross carrying amount	-	-	-	-	-	-	-	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	137.23	132.61	94.62	432.61	5.83	7.40	2.85	50.29	20.91	884.34	20.71
Additions during the year	-	-	1.43	9.91	-	5.76	1.13	1.39	1.27	20.88	15.89
Disposals	-	-	-	(0.70)	-	(0.07)	(0.05)	-	-	(0.81)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(7.40)
Closing gross carrying amount	**137.23**	**132.61**	**96.05**	**441.82**	**5.83**	**13.09**	**3.93**	**51.68**	**22.18**	**904.41**	**29.20**
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	-	1.90	4.88	39.71	2.38	1.74	0.56	5.61	3.04	59.82	-
Depreciation charge during the year	-	1.52	4.05	32.09	0.67	1.70	0.50	4.84	1.63	47.01	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(0.07)	-	(0.05)	(0.01)	-	-	(0.13)	-
Closing accumulated depreciation and impairment	**-**	**3.42**	**8.93**	**71.74**	**3.05**	**3.38**	**1.05**	**10.44**	**4.67**	**106.69**	**-**
Net carrying amount	**137.23**	**129.19**	**87.11**	**370.08**	**2.78**	**9.71**	**2.88**	**41.24**	**17.51**	**797.71**	**29.20**
Year ended 31 March, 2018											
Gross carrying amount											
Opening gross carrying amount	137.23	132.61	96.05	441.82	5.83	13.09	3.93	51.68	22.18	904.41	29.20
Additions during the year	-	16.32	21.74	3.46	3.80	1.52	9.63	3.03	0.65	60.14	11.89
Disposals	-	-	-	(0.50)	-	(0.35)	(0.27)	-	-	(1.12)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(24.91)
Closing gross carrying amount	**137.23**	**148.93**	**117.79**	**444.78**	**9.62**	**14.25**	**13.29**	**54.71**	**22.83**	**963.42**	**16.18**
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	3.42	8.93	71.74	3.05	3.38	1.05	10.44	4.67	106.69	-
Depreciation charge during the year	-	1.89	4.02	30.03	0.39	2.01	0.59	4.83	1.69	45.45	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(0.25)	-	(0.30)	(0.22)	-	-	(0.77)	-
Closing accumulated depreciation and impairment	**-**	**5.31**	**12.95**	**101.52**	**3.44**	**5.09**	**1.42**	**15.27**	**6.36**	**151.38**	**-**
Net carrying amount	**137.23**	**143.62**	**104.83**	**343.26**	**6.18**	**9.16**	**11.87**	**39.44**	**16.47**	**812.04**	**16.18**

Note:

(i) Property, plant & Equipment pledged as a security:

Refer Note 11(a) for information on Property, plant & Equipment pledged as a security by the Company

(ii) Contractual Obligation

Refer Note 30 for disclosure of Contractual Obligation for the acquisition of Property, plant & Equipment.

Note 3: Intangible assets

(₹ in crores)

Particulars	Computer software	Copyrights, patents & other Intellectual property rights, services and operating rights	Total	Goodwill
Year ended 31 March 2017				
Gross carrying amount				
Opening gross carrying amount	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	1.37	0.78	2.15	1,326.86
Additions	0.34	-	0.34	-
Closing gross carrying amount	**1.71**	**0.78**	**2.49**	**1,326.86**
Accumulated amortisation and impairment				
Opening accumulated amortisation	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	0.27	0.30	0.57	110.56
Amortisation charge for the year	0.32	0.07	0.39	88.46
Closing accumulated amortisation and impairment	**0.59**	**0.37**	**0.96**	**199.02**
Closing net carrying amount	1.12	0.41	1.53	1,127.84
Year ended 31 March, 2018				
Gross carrying amount				
Opening gross carrying amount	1.71	0.78	2.49	1,326.86
Additions	0.41	-	0.41	-
Closing gross carrying amount	**2.12**	**0.78**	**2.90**	**1,326.86**
Accumulated amortisation and impairment				
Opening accumulated amortisation	0.59	0.37	0.96	199.02
Amortisation charge for the year	0.37	0.17	0.54	88.46
Impairment charge	-	-	-	-
Closing accumulated amortisation and impairment	**0.95**	**0.54**	**1.50**	**287.48**
Closing net carrying amount	**1.17**	**0.24**	**1.41**	**1,039.38**

Goodwill

The goodwill at each CGU level (acquisition on account of merger of erstwhile DPCL) is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using the net present value of the projected post-tax cashflows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Key assumptions used in the value in use calculations

The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminat growth rate thereafter of 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable.

Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 10.9% for the year ended March 31, 2018.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2018.

Note 4: Financial assets

4 (a) (i) Non-current investments

(₹ in crores)

Particulars	% of holding	As at 31 March 2018	As at 31 March 2017
Investment in equity instruments (fully paid-up)			
A) Quoted			
(i) Investment in Quoted Equity shares carried at Fair value through Other Comprehensive Income			
(a) Bank of India (March 31, 2018 : 2,100 (March 31, 2017: 2,100) equity shares of Face value of ₹ 10/- each fully paid up)	-	0.02	0.03
(ii) Other investment which are carried at Fair value through statement of profit and loss			
(a) HDFC Housing Opportunities Fund (March 31, 2018 : 50,00,000 (March 31, 2017: Nil) units of Face value of ₹ 10/- each)	-	4.79	-
(b) HDFC Perpetual Bond (March 31, 2018 : 250 (March 31, 2017: Nil) bonds of Face value of ₹ 10,00,000/- each)	-	26.98	-
(c) ZEE Entertainment Enterprise Ltd - Preference shares (March 31, 2018 : 4,00,00,000 (March 31, 2017: Nil) preference shares of ₹ 8/- each out of which ₹ 6/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)	-	24.22	-
B) Unquoted			
(i) Investment in wholly owned subsidiaries carried at cost			
(a) Dishman Europe Ltd. (March 31, 2018 : 1,59,000 (March 31, 2017: 1,59,000) equity shares of Face value of GBP 1/- each fully paid up)	100	364.00	364.00
(b) Dishman Australasia Pty Ltd. (March 31, 2018 : 1,00,000 (March 31, 2017: 1,00,000) equity shares of Face value of AUD 1/- each fully paid up)	100	0.38	0.38
(c) Dishman International Trade (Shanghai) Co. Ltd. (No. of Shares not specified)	100	7.00	7.00
(d) Dishman USA Inc. (March 31, 2018 : 3,00,000 (March 31, 2017: 3,00,000) equity shares of Face value of USD 1/- each fully paid up)	100	16.00	16.00
(e) Dishman Switzerland Ltd. (March 31, 2018 : 10,30,000 (March 31, 2017: 10,30,000) equity shares of Face value of CHF 1/- each fully paid up)	100	3.57	3.57
(f) CARBOGEN AMCIS Holding AG (formerly known as Dishman Pharma Solutions AG)* (March 31, 2018 : 2,80,00,000 (March 31, 2017: 2,80,00,000) equity shares of Face value of CHF 1/- each fully paid up)	91.50	2,155.00	2,155.00
(g) Dishman Carbogen Amcis (Singapore) Pte Ltd. (March 31, 2018 : 3,88,37,125 (March 31, 2017: 10) equity shares of Face value of SGD 1/- each fully paid up)	100	187.12	0.00

4 (a) (i) Non-current investments (Contd.) (₹ in crores)

Particulars		% of holding	As at 31 March 2018	As at 31 March 2017
(h)	Dishman Middle East FZE (March 31, 2018 : 6 (March 31, 2017: 6) equity shares of Face value of AED 1,50,000/- each fully paid up)	100	2.00	2.00
(i)	Dishman Japan Ltd. (March 31, 2018 : 2,992 (March 31, 2017: 2,992) equity shares of Face value of JPY 50,000/- each fully paid up)	100	6.25	6.25
(ii)	**Investment in other entities which are carried at Fair value through Other Comprehensive Income**			
(a)	CAD Middle East Pharmaceuticals Industries LLC (March 31, 2018 : 21,900 (March 31, 2017: 21,900) equity shares of Face value of SAR 1,000/- each fully paid up)	10.95	45.41	39.56
(b)	Nami Trading Co-FZE LLC (March 31, 2018 : 15 (March 31, 2017: 15) equity shares of Face value of AED 1,000/- each fully paid up)	-	0.02	0.03
(c)	Stuti(Ambawadi) Owners' Association (March 31, 2018 : 30 (March 31, 2017: 30) equity shares of Face value of ₹ 100/- each fully paid up)	-	0.00	0.00
(d)	Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (March 31, 2018 : 50 (March 31, 2017: 50) equity shares of Face value of ₹ 50/- each fully paid up)	-	0.00	0.00
Total (equity instruments)			**2,842.75**	**2,593.82**
Total non-current investments			**2,842.75**	**2,593.82**
Aggregate amount of quoted investments and market value thereof			56.00	0.03
Aggregate amount of unquoted investments- book value/ market value			2,786.75	2,593.79
Aggregate amount of impairment in the value of investments			-	-

* During the year, the Company has transferred its 100% stake in CARBOGEN AMCIS (Shanghai) Co. Ltd. ("CASCL") to its another wholly owned subsidiary namely Dishman Carbogen Amcis (Singapore) Pte. Ltd. ("DCASPL") by way of share swap arrangement for a consideration of RMB 189.51 million. Further, the DCASPL has transferred its stake in CASCL to the Company's wholly owned subsidiary namely CARBOGEN AMCIS Holding AG., Switzerland ("CAHAG"), by way of share swap. After, this restructuring the Company's stake in CAHAG has been reduced to 91.50% and remaining 8.50% has been held by DCASPL.

1. All the above shares have been acquired by the company on account of merger of Dishman Pharmaceuticals And Chemicals Limited with the company except Dishman Cabogen Amcis (Singapore) Pte Limited which was formed by the company as 100% subsidiary during the financial year 2016-17.
2. Equity Shares designated as at Fair value through Other Comprehensive Income:
   At 1st April, 2016 the Company designated the investments shown below as equity shares at Fair value through Other Comprehensive Income because these equity shares represent investments that the company intends to hold for long term strategic purpose.

(₹ in crores)

Particulars	Fair value as at 31-03-2018	Fair value as at 31-03-2017
1. CAD Middle East Pharmaceuticals Ind LLC	45.41	39.56
2. Nami Trading Co-FZE LLC	0.02	0.03
3. Bank of India	0.02	0.03

4 (a) (ii) Current investments (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Investment in equity instruments (fully paid-up)		
A. Unquoted		
(i) Investments in wholly owned subsidiary		
Carbogen Amcis (Shanghai) Co. Ltd. (No. of shares not specified)	-	167.37
B. Quoted		
(i) Other investment which are carried at Fair value through statement of profit and loss		
SBI Arbitrage Opportunity Fund	10.09	
(March 31, 2018 : 75,66,152 (March 31, 2017: Nil) units of NAV of ₹ 13.30/- each)		
ZEE Entertainment Enterprise Ltd - Preference Shares	9.20	
(March 31, 2018 : 4,00,00,000 (March 31, 2017: Nil) preference shares of ₹ 8/- each out of which ₹ 6/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)		
Vedanta Ltd. - Preference Share	25.39	
(March 31, 2018 : 2,50,00,000 (March 31, 2017: Nil) preference shares of Face value of ₹ 10/- each fully paid up)		
JM Financial Asset Reconstruction Company Ltd. - Commercial papers	23.46	
(March 31, 2018 : 25,00,000 (March 31, 2017: Nil) commercial papers of Face value of ₹ 100/- each)		
C. Others		
Fixed Deposit with Dewan Housing Finance Ltd.	26.21	
Total current investments	**94.35**	**167.37**
Aggregate amount of quoted investments and market value thereof	68.14	-
Aggregate amount of unquoted investments	26.21	167.37

4(b) Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Considered good	148.14	86.64
Less: Allowances as per expected credit loss model	(8.12)	(15.46)
	140.02	71.18
Unsecured, Considered doubtful	0.46	0.46
Less: Allowance for doubtful debts	(0.46)	(0.46)
	-	-
Total receivables	**140.02**	**71.18**

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
1. Of the above, trade receivables from related parties are as below:		
Trade Receivables (Refer Note No. 31)	61.36	57.11
Less: Allowance for doubtful Debt	-	-
	61.36	57.11

2. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person
3. Trade receivable due from private companies in which any director is a partner, director or a member is ₹ 2.58 crores (March 2017 ₹ 1.21 crores)
4. Trade receivable are non- interest bearing and are generally on credit terms in the rage of 30 to 120 days.
5. The company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 25.
6. For receivables secured against borrowings see Note 11 (a).

4 (c) Loans **(₹ in crores)**

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to related parties (Refer Note No. 31)	2.22	38.06	23.23	39.05
Loan to employees	0.42	-	0.36	-
Other Loans	12.06	-	11.68	1.18
Total loans	**14.69**	**38.06**	**35.27**	**40.23**

Note: Of the above, loan amounting to ₹ 40.28 Crores (P.Y. ₹ 61.29 Crores) is given to the Companies in which Company's Director is also a director.

4 (d) (i) Cash and cash equivalents **(₹ in crores)**

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in current accounts	17.58	29.22
- in EEFC accounts	0.00	0.53
Cash on hand	0.17	0.11
Total cash and cash equivalents	**17.75**	**29.86**

4 (d) (ii) Bank Balances Other than Cash and cash equivalents **(₹ in crores)**

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Earmarked balances with banks for:		
(i) Unpaid Dividend	0.13	0.08
(ii) Balances held as margin money or security against borrowings, guarantees and other commitments	3.41	10.35
(b) In other deposit account	-	0.02
	3.54	**10.45**

4 (e) Other financial assets (₹ in crores)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good unless otherwise stated				
(a) Fixed deposits having maturity of more than one year	-	2.25	-	0.45
(b) Insurance claims	-	-	-	0.01
(c) Interest Receivable (Refer Note 31)	45.89	-	20.06	-
(d) Guarantee Commission Receivable (Refer Note 31)	13.53	-	16.03	-
(e) Advances & Recoverables	-	-	19.30	-
(f) Security Deposits	0.21	1.18	0.41	-
(g) Others	5.71	-	-	-
Total other financial assets	**65.34**	**3.42**	**55.80**	**0.46**

Note 5 : Deferred tax assets (Net) (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
MAT Credit receivable	-	-
Total deferred tax assets	**-**	**-**
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-
Net deferred tax assets	**-**	**-**

Note 6: Other non-current assets (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured considered good, unless otherwise stated		
(a) Capital advances		
Considered Good	159.03	151.73
Considered Doubtful	3.10	3.10
	162.14	154.83
Less: Provision for doubtful advances	(3.10)	(3.10)
	159.03	151.73
(b) Prepaid Expenses	0.90	-
(c) Recoverable from Sales tax & Excise authorities	16.04	13.47
(d) Other receivables	1.79	-
Total other non-current assets	**177.76**	**165.19**

Note 7 : Inventories (At lower of cost and net realisable value) (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Raw materials	50.97	51.52
(b) Work-in-progress	93.52	74.77
(c) Finished goods	19.77	20.78
(d) Stores and spares	4.82	4.73
Total inventories	**169.09**	**151.80**

Note:

1. For Inventories pledged as securities against borrowings, see Note 11 (a)

Note 8 : Current tax assets (Net) (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Advance Payment of Income tax (Net of Provision)	91.00	72.94
Total Current tax assets (Net)	91.00	72.94

Note 9: Other current assets (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured considered good, unless otherwise stated		
(a) Advances other than Capital advances		
(i) Prepaid Expenses	2.35	3.09
(ii) Advances & recoverables		
Considered Good	225.16	157.89
Considered Doubtful	0.15	0.15
	225.31	158.04
Less: Provision for other doubtful loans and advances	(0.15)	(0.15)
	225.16	157.89
(b) Recoverable from Service Tax & Excise authorities	21.15	13.87
Total other current assets	**248.66**	**174.86**

Note 10: Equity share capital and other equity
10 (a) Equity share capital
Authorised equity share capital

Particulars	Number of shares	(₹ in crores)
As at 1 April, 2016	50,00,000	1.00
Increase on account of merger (Refer Note No. 28(i))	16,52,50,000	33.05
As at 31 March, 2017	17,02,50,000	34.05
Addition during the year	-	-
As at 31 March, 2018	17,02,50,000	34.05

(i) Issued and subscribed share capital

Particulars	Number of shares	Face Value	Equity share capital (par value) (₹ in crores)
As at 1 April 2016	2,50,000	2.00	0.05
Cancelled on account of merger (Refer Note No. 28(i))	(2,50,000)	2.00	(0.05)
As at 31 March 2017	-		-
Issued during the year	16,13,94,272	2.00	32.28
As at 31 March 2018	16,13,94,272		32.28

(ii) Shares of the company held by the holding company

Particulars	As at 31 March 2018	As at 31 March 2017
Bhadra Raj Holdings Pvt. Ltd.	9,90,96,083	-

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% *holding*	Number of shares	% *holding*
Bhadra Raj Holdings Pvt. Ltd.	9,90,96,083	61.40	-	-

(iv) The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. All shares rank equally with regard to the Company's residual assets.

(v) During the FY 2016-17, the Board of Directors of DPCL has declared and paid Interim Dividend of ₹ 1.20 per share on 16,13,94,272 equity shares which has been accounted for by the Company in its retained earnings.

(vi) The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL") and Dishman Care Ltd. ("DCL") with Carbogen Amcis (India) Ltd.) ("CAIL") in terms of the provisions of Section 391 to 394 of the Companies Act, 1956 ("Scheme"). On March 27, 2017, the name of CAIL has been changed to DCAL. Upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL cancelled during FY 2016-17. During FY 2017-18, the Company has issued equity shares of DCAL to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and subsequently the shares have been listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

10(b) Other Equity **(₹ in crores)**

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Shares suspense account	-	4,810.00
(b) Securities Premium Reserve	4,777.72	-
(c) Profit on sale of investment	12.85	
(d) Surplus/(Deficit) in Statement of Profit and Loss	(2.32)	(39.39)
(e) Other Comprehensive Income	(28.96)	0.13
Total reserves and surplus	**4,759.30**	**4,770.74**

Movement in Reserves

(i) Retained earnings **(₹ in crores)**

Particulars	As at 31 March 2018	As at 31 March 2017
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	(39.39)	0.28
Add: Net profit for the year	37.07	24.24
Less: Interim dividend on equity shares of erstwhile DPCL (amount paid per share ₹ 1.20)	-	(19.37)
Less: Issue of bonus shares by erstwhile DPCL (Refer Note No. 28(ii))	-	(16.14)
Less : Expenses debited for increase in authorised share capital	-	(1.30)
Add: Acquired on merger (Refer Note No. 28 (i))	-	(27.10)
Closing balance	**(2.32)**	**(39.39)**

Retained earnings represents surplus/ accumulated earnings of the Corporation and are available for distribution to shareholders.

(ii) Shares Suspense account

The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL") and Dishman Care Ltd. ("DCL") with the Company ("DCAL") in terms of the provisions of Section 391 to 394 of the Companies Act 1956. The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 Sanctioned the Scheme. During FY 2017-18, the Company has issued its equity shares to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and subsequently the shares have been listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

(iii) Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income, under and irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

(iv) Cash flow hedge reserve

The Company has designated its hedging instruments as cash flow hedges and any gain / loss on cash flow hedge is mantained in the said reserve. At the time of settlement of instrument, the gain / loss is recognised in the Statement of Profit and Loss.

Note 11: Financial liabilities

11 (a) Non-current borrowings (₹ in crores)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Secured			
Term loans			
From banks			
Rupee Currency Loan	(a) (i)	46.21	32.60
Foreign currency loan	(a) (ii)	232.78	111.38
Long-term maturities of Hire purchase obligations	(b)	0.38	0.64
Total non-current borrowings		**279.38**	**144.62**

Note:

(a) (i) Term loans from Bank in Rupee currency (₹ in crores)

Name of the bank	Terms of repayment and security	As at 31 March, 2018	As at 31 March, 2017
State bank of India	The term loan is secured by first pari-passu charge on the Company's fixed assets including mortgage over land & Buildings and Hypothecation of plant & machinery at Bavla unit alongwith existing term lenders and second pari-passu charge on the entire current assets including stocks of RM, WIP and FG and receivables of the Company ranking pari passu with other term lenders, repayable in 36 monthly installment starting from June 2017 and ending on May 2020	1.10	1.12
HDFC Bank Ltd.	The term loan is secured by Charge on Dishman Corporate House propert y, Ambli Road, Opp. Annapurna Farm House, Satelite Area, Ahmedabad. Repayble in 17 equal quarterly installments starting from March 2018 ending on March 2022.	45.12	31.47
Total Term loans from Bank in Rupee currency		**46.21**	32.60

(a) (ii) Term loans from Bank in foreign currency (₹ in crores)

Name of the bank	Terms of repayment and security	As at 31 March, 2018	As at 31 March, 2017
Bank of Baroda	The Corporate Loan is secured by first Pari-passu charge on the Company's immovable and movable fixed assets at Bavla unit and second charge on SEZ land of M/s Dishman Infrastructure Ltd and Corporate Guarantee of M/s Dishman Infrastructure Ltd., repayable in 24 quarterly installment starting from June 2015 in ballooning fashion and ending on 31 March 2021.	38.45	47.54
Bank of Baroda *	The term loan is secured by first pari-passu charge on the Company's fixed assets at Bavla unit alongwith existing term lenders and second pari-passu charge on current assets of the Company with existing lenders, repayable in 20 quarterly installments starting from February, 2019 and ending November, 2023.	11.94	-
State Bank of India	The term loan is secured by first pari-passu charge on the Company's fixed assets including mortgage over land & Buildings and Hypothecation of plant & machinery at Bavla unit alongwith existing term lenders and second pari-passu charge on the entire current assets including stocks of RM, WIP and FG and receivables of the Company ranking pari passu with other term lenders, repayable in 36 monthly installment starting from June 2017 and ending on May 2020.	44.44	63.85
Qatar National Bank	The term loan is secured by first pari-passu charge on the Company's fixed assets at Bavla unit alongwith existing term lenders and second pari-passu charge on current assets of the Company with existing lenders, repayable in 20 quarterly installment starting from October, 2017 and ending July, 2022.	137.95	-
Total term loans from banks in foreign currency		**232.78**	**111.38**

* Creation of security is pending.

(b) Long-term maturities of Hire purchase obligations (₹ in crores)

Name of the bank	Terms of repayment and security	As at 31 March, 2018	As at 31 March, 2017
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	0.05	0.12
HDFC Bank Ltd.		-	0.01
Corporation Bank		0.33	0.51
Total of Long-term maturities of Hire purchase obligations		**0.38**	**0.64**

(c) Long Term Loan facility from banks carrying interest-rate ranging from LIBOR+1.75% to MCLR+2.00% p.a. for different facilities were repayable as per the repayment schedule.

(d) For current maturities of long term borrowings, refer Note -11 (d)

11 (b) Current borrowings

(₹ in crores)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Secured			
Loans repayable on demand			
From banks	(a)	240.91	210.13
Unsecured			
Loan from banks- Foreign Currency	(a)	16.06	46.18
Total Current borrowings		**256.97**	**256.31**

Note:

(a) Details of current borrowings (₹ in crores)

Name of the bank	Security	As at 31 March, 2018	As at 31 March, 2017
Corporation Bank	Hypothecation of Inventories, collateral security of book debts, first charge on the 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 unit and second pari pasu charge on fixed asset at Bavla Plant.	26.46	24.88
Bank of Baroda		79.47	33.13
State Bank of India		61.43	37.98
Doha Bank		42.69	40.91
DBS Bank		-	44.15
IDFC Bank*		25.00	
Societe Generale bank	First Charge on the 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.	5.87	29.08
Deutsche Bank	Unsecured	16.06	46.18
Total Current borrowings		**256.97**	**256.31**

* Creation of security is pending.

(b) Details of short-term borrowings guaranteed by a director:

One of the directors has given guarantee against certain secured working capital loans to the extent of market value of his specified office premise. Most of these lenders have given their consents for release of this guarantees.

11 (c) Trade payables

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Current		
Trade payables (Refer note No. 32)	83.48	56.93
Trade payables to related parties (Refer note No. 31)	4.67	1.21
Total trade payables	**88.15**	**58.14**

Note:

1. All trade payables are current
2. The Company's exposure to currency and liquidity risks related to trade payable is disclosed in Note 25.

11 (d) Other financial liabilities (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Current		
(a) Current maturities of long-term debt	85.22	44.00
(b) Interest accrued but not due on borrowings	1.33	0.20
(c) Unpaid dividends	0.13	0.08
(d) Employee related provisions	7.23	6.02
(e) Payable towards hedge instruments	21.75	-
(f) Others	2.19	0.29
Total other current financial liabilities	**117.85**	**50.59**

Note 12: Provisions (₹ in crores)

Particulars	As at 31 March 2018			As at 31 March 2017		
	Current	Non-current	Total	Current	Non-current	Total
(a) Provision for compensated absences (Refer note No. 27)	0.53	2.54	3.07	0.20	1.02	1.22
(b) Provision for gratuity (net) (Refer note No. 27)	1.30	6.73	8.03	1.06	5.57	6.63
Total Provisions	**1.84**	**9.27**	**11.10**	**1.26**	**6.59**	**7.85**

Note 13: Deferred tax liabilities

(a) Movements in deferred tax liabilities (₹ in crores)

	Net balance as at April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2018		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Property, plant and equipment & Intangible assets & Goodwill	(280.31)	(20.11)	-	-	(300.42)	-	(300.42)
Investments	2.80	-	(2.04)	-	0.76	0.76	-
Trade receivables	0.16	-	-	-	0.16	0.16	-
Loans and advances	1.55	2.85	-	-	4.40	4.40	-
Provisions	2.54	0.98	(0.09)	-	3.43	3.43	-
Unabsorbed losses	147.88	(0.51)	-	-	147.37	147.37	-
DTL on Mark to Market	-	(2.64)	-	-	(2.64)	-	(2.64)
Deferred tax on profit on sale of investment	-	-	-	(6.90)	(6.90)	-	(6.90)
Deferred tax assets (Liabilities)	**(125.38)**	**(19.43)**	**(2.13)**	**(6.90)**	**(153.84)**	**156.12**	**(309.96)**
Minimum Alternate Tax (MAT) credit entitlement	29.70	1.87	-	-	31.57	31.57	-
Net Deferred tax assets/(Liabilties)	**(95.69)**	**(17.56)**	**(2.13)**	**(6.90)**	**(122.28)**	**187.68**	**(309.96)**

(b) ***Movements in deferred tax liabilities*** (₹ in crores)

	Net balance as at April 1, 2016*	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2017 Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment & Intangible assets & Goodwill	(231.89)	(48.42)	-	-	(280.31)	-	(280.31)
Investments	1.46	-	1.34	-	2.80	2.80	-
Trade receivables	0.16	-	-	-	0.16	0.16	-
Loans and advances	1.55	-	-	-	1.55	1.55	-
Provisions	2.50	(0.17)	0.20	-	2.54	2.54	-
Unabsorbed losses	116.90	30.98	-	-	147.88	147.88	-
Deferred tax assets (Liabilities)	(109.32)	(17.60)	1.54	-	(125.38)	154.93	(280.31)
Minimum Alternate Tax (MAT) credit entitlement	22.18	7.51	-	-	29.70	29.70	-
Net Deferred tax assets/(Liabilties)	(87.14)	(10.09)	1.54	-	(95.69)	184.62	(280.31)

**Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company*

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Company has cumulative tax losses of ₹ 421.74 crores as on 31 March 2018. Out of the tax losses of ₹ 421.74 crores, ₹ 421.60 crores pertains to unabsorbed depreciation, that are available for set off against future taxable profits, without any limitation of the number of years for set off. Balance tax loss of ₹ 0.14 crores can be carried forward and set off against the future taxable profits for 8 years, from the date of creation. Hence, the tax loss of ₹ 0.14 crores will expire in March 2023.

Minimum Alternative Tax (MAT credit) balance as on March 31, 2018 amounts to ₹ 31.57 crores (March 31, 2017 : ₹ 29.70 crores). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Given that the Company does not have any intention to dispose investments in subsidiaries in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

Note 14: Other Non-Current Liabilities (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances from customers - Related party (Refer note No. 31)	83.77	118.06
Total other non-current liabilities	**83.77**	**118.06**

Note 15: Other current liabilities (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Statutory tax payables	2.09	2.43
(b) Advances from customers - Include amount received from related party of ₹ 34.29 crores (P.Y. ₹ 22.27 crores) (Refer Note No. 31)	51.90	32.43
(c) Others	2.07	-
Total other current liabilities	**56.06**	**34.86**

Note 16: Revenue from Operations

The entity derives the following types of revenue:

Particulars		**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
			(' in crores)
(a)	Sale of products (Refer Note (i))	378.02	375.01
(b)	Sale of services (Refer Note (ii))	63.87	33.95
(c)	Other operating revenue (Refer Note (iii))	32.57	42.53
Total revenue from continuing operations		**474.46**	**451.49**
Note:			
(i)	**Sale of products comprises :**		
	Sale of manufactured goods	366.34	361.65
	Sale of traded goods	11.68	13.36
	Total - Sale of products	**378.02**	**375.01**
(ii)	**Sale of services comprises :**		
	Export Services	63.87	33.95
	Total - Sale of services	**63.87**	**33.95**
(iii)	**Other operating revenues comprise:**		
	Sale of scrap	0.01	0.32
	Duty Drawback income	12.53	15.43
	Forex Gain on forward contracts against sales	10.98	19.30
	Sales of Raw Material	9.00	7.37
	Others	0.05	0.11
	Total - Other operating revenues	**32.57**	**42.53**

Note 17: Other income

Particulars		**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
			(₹ in crores)
(a)	Interest income (Refer Note (i))	9.76	7.84
(b)	Dividend income from Long term Investments	47.75	35.37
(c)	Net gain on Long Term Investments	1.95	3.24
(d)	Net gain on foreign currency transactions and translation	-	19.53
(e)	Guarantee Commission Received	3.36	4.32
(f)	Income from Travel Business	0.37	0.50
(g)	Others	2.47	-
Total other income		**65.66**	**70.80**
Note (i) : Interest income comprises:			
Interest from deposits / investment :			
Banks		0.99	1.67
Others		2.17	-
Interest on loans and advances:			
Subsidiaries		5.24	6.17
Others		1.35	0.00
Total - Interest income		**9.76**	**7.84**

Note 18(a) : Cost of materials Consumed		(₹ in crores)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
Raw materials at the beginning of the year	51.52	48.42
Add: Purchases	161.29	142.51
	212.81	**190.93**
Less: Raw material at the end of the year	(50.97)	(51.52)
Total cost of materials consumed	**161.84**	**139.41**

Note 18 (b): Changes in inventories of work-in-progress, stock-in-trade and finished goods		(₹ in crores)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
Inventories at the end of the year		
Work-in progress	93.52	74.77
Finished goods	19.77	20.78
Total opening balance	**113.29**	**95.55**
Inventories at the begining of the year		
Work-in progress	74.77	66.45
Finished goods	20.78	18.63
Total closing balance	**95.55**	**85.08**
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	**(17.74)**	**(10.48)**

Note 19: Employee benefit expense		(₹ in crores)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
(a) Salaries and wages	57.35	63.46
(b) Contributions to provident and other funds	1.71	1.83
(c) Staff welfare expenses	2.61	1.47
Total employee benefit expense	**61.67**	**66.76**

Note 20: Finance costs		(₹ in crores)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
(a) Interest on debts and borrowings	23.22	33.88
(b) Other Borrowing Cost	2.50	5.30
(c) Forex loss considered as finance cost	9.61	-
Total Finance costs	**35.34**	**39.17**

Note 21: Depreciation and amortisation expense		(₹ in crores)
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
(a) Depreciation of property, plant and equipment	45.45	47.01
(b) Amortisation of intangible assets and Goodwill	89.00	88.84
Total depreciation and amortisation expense	**134.45**	135.85

Note 22: Other expenses

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
		(₹ in crores)
(a) Consumption of stores and spare parts	0.35	0.42
(b) Other Manufacturing Expenses	8.32	5.08
(c) Power and fuel	28.17	26.13
(d) Laboratory Expenses	1.02	2.34
(e) ETP Expenses	3.18	5.23
(f) Rent including lease rentals	1.82	0.75
(g) Repairs and maintenance - Buildings	1.84	1.32
(h) Repairs and maintenance - Machinery	6.83	10.77
(i) Repairs and maintenance - Others	1.92	1.87
(j) Insurance	3.15	2.11
(k) Communication	0.47	0.50
(l) Travelling and conveyance	4.77	3.62
(m) Printing and stationery	0.57	0.52
(n) Freight and forwarding	4.33	4.15
(o) Sales commission	0.24	0.87
(p) Business promotion	6.08	2.79
(q) Donations and contributions	0.24	1.82
(r) Legal and professional	10.24	19.02
(s) Payments to auditors	0.63	0.66
(t) Bad trade and other receivables, loans and advances written off	(0.07)	0.30
(u) Membership & Subcribtion	0.63	0.83
(v) ECGC Premium	-	0.20
(w) Office Electricity	0.31	0.23
(x) Recruitment Expenses	0.14	0.15
(y) Loss on fixed assets sold / scrapped / written off	0.08	0.38
(z) Provision for doubtful trade and other receivables, loans and advances (net)	(7.34)	0.45
(aa) Net loss on foreign currency transactions and translation	10.20	-
(ab) Miscellaneous expenses	3.05	2.04
Total other expenses	**91.18**	**94.53**
Note 22(a): Details of payments to auditors		
Payment to auditors (excluding Goods & Service Tax)		
As auditor:		
Audit fee	0.46	0.43
In other capacities		
Certification fees	0.17	0.22
Re-imbursement of expenses	-	0.01
Total payments to auditors	**0.63**	**0.66**

Note 22(b): Corporate social responsibility expenditure (Refer Note No. 28(iv))

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
		(₹ in crores)
Amount required to be spent as per Section 135 of the Act	0.16	1.81
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	0.17	1.82
	0.17	1.82

Note: Related party transactions in relation to Corporate Social Responsibility : Nil

Note 23: Income tax expense (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	7.52	9.58
Short Provision of Tax	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	**7.52**	**9.58**
Deferred tax		
Increase in deferred tax liabilities	19.45	17.60
MAT Credit	(1.87)	(7.51)
Total deferred tax expense/(benefit)	**17.58**	**10.09**
Income tax expense	**25.10**	**19.67**

(b) Reconciliation of effective tax rate: (₹ in crores)

Particulars	2017-18	2016-17
Profit before income tax expense	62.18	43.91
Enacted income tax rate in India applicable to the Company 34.608%	**21.52**	**15.19**
Tax effect of:		
Permanent allowance (net)	(1.87)	0.06
Others	(0.18)	0.20
Deferred tax assets not created on unabsorbed losses	-	2.35
Foreign tax credit	7.52	1.87
Reversal of Foreign tax credit of previous year	(1.87)	-
Income tax expense	**25.11**	**19.67**
Weighted average tax rate for the year	**40.38%**	**44.81%**

(c) Amounts recognised in Other Comprehensive Income (₹ in crores)

Particulars	2017-18			2016-17		
	Before tax	Tax exp. (benefit)	Net of tax	Before tax	Tax exp. (benefit)	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	0.25	(0.09)	0.16	(0.57)	0.20	(0.37)
Equity instruments through Other Comprehensive income- net change in fair value	5.83	(2.04)	3.80	(0.84)	1.34	0.50
Items that will be reclassified to profit or loss						
Foreign exchange fluctuation in respect of cash flow hedge	(33.05)	-	(33.05)	-	-	-

(d) Amounts recognised directly in equity

The net value of ₹ 12.85 crores, net of profit on sale of investment of ₹ 19.73 crores and deferred tax of ₹ 6.88 crores have been recognised directly in equity.

Note 24: Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. (₹ in crores)

Financial Assets and Liabilities as at 31st March, 2018	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	Total Fair Value
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets																	
Investments																	
- Equity instruments	2,791.56	10.09	2,801.65	14.87	-	-	14.87	0.02	-	45.43	45.45	-	-	2,741.32	2,741.32	2,801.65	2,801.65
- Debt instruments	51.19	58.05	109.25	109.25	-	-	109.25	-	-	-	-	-	-	-	-	109.25	109.25
- Fixed deposits	-	26.21	26.21	-	-	-	-	-	-	-	-	-	-	26.21	26.21	26.21	26.21
Loans	38.06	14.69	52.75	-	-	-	-	-	-	-	-	-	-	52.75	52.75	52.75	52.75
Trade receivable	-	140.02	140.02	-	-	-	-	-	-	-	-	-	-	140.02	140.02	140.02	140.02
Cash and Cash equivalents	-	17.75	17.75	-	-	-	-	-	-	-	-	-	-	17.75	17.75	17.75	17.75
Other Bank Balance	-	3.54	3.54	-	-	-	-	-	-	-	-	-	-	3.54	3.54	3.54	3.54
Other Financial Assets	3.42	65.34	68.76	-	-	-	-	-	-	-	-	-	-	68.76	68.76	68.76	68.76
Total	**2,884.24**	**335.69**	**3,219.92**	**124.12**	**-**	**-**	**124.12**	**0.02**	**-**	**45.43**	**45.45**	**–**	**–**	**3,050.35**	**3,050.35**	**3,219.92**	**3,219.92**
Financial Liabilities																	
Borrowings	279.38	256.97	536.34	-	-	-	-	-	-	-	-	-	-	536.34	536.34	536.34	536.34
Trade Payables		88.15	88.15	-	-	-	-	-	-	-	-	-	-	88.15	88.15	88.15	88.15
Derivative financial liabilities	-	21.75	21.75	-	-	-	-	-	21.75	-	21.75	-	-	-	-	21.75	21.75
Other Financial Liabilities		96.11	96.11	-	-	-	-	-	-	-	-	-	-	96.11	96.11	96.11	96.11
Total	**279.38**	**462.97**	**742.35**	**-**	**-**	**-**	**-**	**-**	**21.75**	**-**	**21.75**	**–**	**–**	**720.60**	**720.60**	**742.35**	**742.35**

Financial Assets and Liabilities as at 31st March, 2017	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	Total Fair Value
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets																	
Investments																	
- Equity instruments	2,593.82	167.37	2,761.19	-	-	-	-	0.03	-	39.59	39.62	-	-	2,721.60	2,721.60	2,761.22	2,761.22
Loans	40.23	35.27	75.50	-	-	-	-	-	-	-	-	-	-	75.50	75.50	75.50	75.50
Trade receivable	-	71.18	71.18	-	-	-	-	-	-	-	-	-	-	71.18	71.18	71.18	71.18
Cash and Cash equivalents	-	29.86	29.86	-	-	-	-	-	-	-	-	-	-	29.86	29.86	29.86	29.86
Other Bank Balance	-	10.45	10.45	-	-	-	-	-	-	-	-	-	-	10.45	10.45	10.45	10.45
Derivative financial assets	-	19.30	19.30	-	19.30	-	19.30	-	-	-	-	-	-	-	-	19.30	19.30
Other Financial Assets	0.46	36.08	36.54	-	-	-	-	-	-	-	-	-	-	36.54	36.54	36.54	36.54
Total	**2,634.50**	**369.50**	**3,004.01**	**-**	**19.30**	**-**	**19.30**	**0.03**	**-**	**39.59**	**39.62**	**-**	**-**	**2,945.12**	**2,945.12**	**3,004.04**	**3,004.04**
Financial Liabilities																	
Borrowings	144.62	256.31	400.93	-	-	-	-	-	-	-	-	-	-	400.93	400.93	400.93	400.93
Trade Payables		58.14	58.14	-	-	-	-	-	-	-	-	-	-	58.14	58.14	58.14	58.14
Other Financial Liabilities		50.59	50.59	-	-	-	-	-	-	-	-	-	-	50.59	50.59	50.59	50.59
Total	**144.62**	**365.03**	**509.66**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**–**	**–**	**509.66**	**509.66**	**509.66**	**509.66**

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values for investment in equity shares other than subsidiaries, joint venture and associate were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(D) Valuation technique used to determine fair value

The following is the valuation technique used in measuring Level 2 and Level 3 fair values, for the financial instruments measured at fair value in the statement of financial position, as well as significant unobservable inputs used.

Financial Instruments measured at fair value

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair valuation
Investments in unquoted instruments accounted for as Fair value through Other Comprehensive Income. - Level 3	DCF method	(i) Discounting rate: March 2018: 9.53% (March 2017: 9.53 %) (ii) Growth rate: March 2018: 7% (March 2017: 10.95%)	Increase/ (Decrease) in significant unobservable input will Increase/ (Decrease) fair value of the instrument
Derivative instruments-forward exchange contracts. - Level 2	Forward pricing: The fair value is determined using quoted forward exchange rate at the reporting date.	Not applicable	Not applicable

(E) For the fair value of unquoted equity shares, reasonable possible change at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effect (₹ in crores)

Significant unobservable inputs		Profit or Loss	
		As at 31st March 2018	As at 31st March 2017
+/- 0.5% Discount rate and Growth rate	Increase	2.36	5.73
	Decrease	2.36	5.09

(F) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2018 and 31 March 2017:

	Unlisted equity securities
As at 1 April 2016	-
Fair value of the shares acquired on merger of DPCL	40.43
Gains/ (losses) recognised in other comprehensive income	(0.84)
As at 31 March 2017	**39.59**
Gains/(losses) recognised in Other Comprehensive Income	5.83
As at 31 March 2018	**45.42**

Note 25: Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of its financial risk including

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of directors, which provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by internal auditors. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Company's audit committee also oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

1 Trade and Other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

As at 31st March 2018, the carrying amount of the Company's largest customer which is its subsidiary (excluding advances) was ₹ 40.79 crore (31st March 2017 - ₹ 48.85 crore). As at 31st March 2018 and 31st March 2017, the Company did not have any significant concentration of credit risk with any external customers.

(i) Expected credit loss assessment for Trade and Other receivables as at 31st March, 2017 and 31st March, 2018:

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables. (₹ in crores)

	Gross Carrying amount	Loss allowances amount	Net Carrying
As at 31st March, 2018	148.60	8.58	140.02
As at 31 March 2017	87.10	15.92	71.18

(ii) The movement in the loss allowance in respect of trade and other receivables during the year was as follows (₹ in crores)

Balance as at 1st April, 2016	-
Add : On account of merger (Refer Note No. 28 (i))	15.47
Movement during the year	0.45
Balance as at 31st March, 2017	15.92
Movement during the year	(7.34)
Balance as at 31st March, 2018	**8.58**

2 Cash and bank balances

The Company held Bank balance of ₹ 21.29 crore at March 31, 2018 (31st March, 2017: ₹ 40.31 crore). The same are held with bank and financial institution counterparties with good credit rating.

3 Derivatives

The forward cover has been entered into with banks /financial institution counterparties with good credit rating.

4 Others

Other than trade receivables reported above , the Company has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. The Company has access to a sufficient variety of sources of short term funding with existing lenders. The Company has arrangements with the reputed banks and has unused line of credit that could be drawn upon should there be need.

(i) *Maturities of financial liabilities*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in crores)

Contractual maturities of financial liabilities as at 31 March 2018	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives				
Long term borrowings (inclusive of accumulated interest)	107.28	108.22	190.00	405.49
Working Capital Facility and Short term loans and borrowings	256.97	-	-	256.97
Trade payables	88.15	-	-	88.15
Provisions	9.27	-	-	9.27
Total non-derivative liabilities	**461.67**	**108.22**	**190.00**	**759.88**
Derivatives (net settled)				
Foreign exchange forward contracts	21.75	-	-	21.75
Total derivative liabilities	**21.75**	**-**	**-**	**21.75**
Contractual maturities of financial liabilities as at 31st March, 2017	**1 year or less**	**1-2 years**	**2- 5 years**	**Total**
Non-derivatives				
Long term borrowings (inclusive of accumulated interest)	58.83	73.74	98.70	231.27
Working Capital Facility and Short term loans and borrowings	256.31	-	-	256.31
Trade payables	58.14	-	-	58.14
Provisions	6.59	-	-	6.59
Total non-derivative liabilities	**379.87**	**73.74**	**98.70**	**552.31**
Derivatives (net settled)				
Foreign exchange forward contracts	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

(C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP, CHF and Chinese Renminbi (RMB). The Company has in place the Risk management policy to manage the foreign exchange exposure.

The Foreign currency exchange rate exposure is partly balanced through natural hedge, where in the company's borrowing is in foreign currency and cash flow generated from financial assets is also in same foreign currency. This provide an economic hedge without derivatives being entered into and therefore hedge accounting not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Company can enter into foreign currency forward contracts and other authorized derivative contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables and borrowings.

The Company uses derivative instruments, mainly foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in line with the policy.

The Company hedges 75 to 80% of its estimated foreign currency exposure in respect of forecast sales. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Sr No.	Particulars	Currency	31 March 2018 (₹ in crores)	31 March 2018 FC in Mn.	31 March 2017 (₹ in crores)	31 March 2017 FC in Mn.
A	***Financial assets***					
(i)	Trade receivables	EURO	9.31	1.16	7.67	1.11
		USD	123.66	18.97	108.50	16.73
		GBP	0.13	0.01	0.20	0.02
		CHF	5.78	0.85	-	-
		SGD	1.69	0.34	-	-
(ii)	Loans and Advances	USD	56.09	8.61	55.76	8.60
(iii)	Bank balance in EEFC accounts	USD	0.00	0.00	0.58	0.09
B	***Financial liabilities***					
(i)	Foreign currency loan					
	Bank loan	USD	341.83	52.45	289.07	44.57
		EURO	109.98	13.70	120.42	17.44
		GBP	77.68	8.50	-	-
	Interest Payable	EURO	-	-	0.20	0.03
(ii)	Trade payables	USD	74.58	11.44	83.79	12.92
		EURO	2.70	0.34	1.68	0.24
		GBP	0.11	0.01	0.19	0.02

The Company has entered into forward contract transactions and currency swaps, which are not intended for trading or speculative purpose but to hedge the export receivables including future receivables. The Company has following forward cover outstanding.

Type of transaction	Purpose	Currency	Buy or Sell	Cross Currency	31 March 2018 Foreign currency in Mn.	31 March 2018 (₹ in Crores)	31 March 2017 Foreign currency in Mn.	31 March 2017 (₹ in Crores)
Forward Cover	To hedge export receivables	USD	Sell	INR	$16.45	107.21	20.70	134.24
		EURO	Sell	INR	€ 32.00	256.95	4.50	31.08
		CHF	Sell	INR	CHF 21.75	148.67	-	-
		CHF	Sell	USD	$9.92	64.62	-	-
		GBP	Sell	USD	$17.60	114.69	1.50	12.20
		EURO	Sell	USD	$16.81	109.55	-	-
		GBP	Sell	INR	£ 38.25	349.36	6.00	48.81
Swap Cover	To hedge Foreign Currency Loan	CHF	Sell	USD	25.06	171.27	-	-
		CHF	Sell	INR	6.73	46.03	-	-
		GBP	Sell	INR	3.63	33.16	-	-

(c) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	**Weakening**	**Increased**	**(Decreased)**
Mar-18				
Effect in INR				
1% movement				
USD	6.33	(6.33)	6.33	(6.33)
EUR	3.60	(3.60)	3.60	(3.60)
GBP	3.49	(3.49)	3.49	(3.49)
Mar-17				
Effect in INR				
1% movement				
USD	3.42	(3.42)	3.42	(3.42)
EUR	1.46	(1.46)	1.46	(1.46)
GBP	0.61	(0.61)	0.61	(0.61)
AUD	-	-	-	-

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018, the Company's borrowings at variable rate were mainly denominated in USD and EURO.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's approch to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

	31 March 2018	31 March 2017
	Nominal amount	**Nominal amount**
Variable rate borrowings	621.57	444.93
Fixed rate borrowings	-	-
Total borrowings	**621.57**	**444.93**

(b) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crores)

	Impact on profit after tax	
	As at 31 March 2018	**As at 31 March 2017**
Interest rates – increase by 50 basis points *	(3.11)	(2.44)
Interest rates – decrease by 50 basis points *	3.11	2.44

* Holding all other variables constant

(D) Hedge Accounting

The Company's business objective includes safe-guarding its earnings against adverse effect of foreign exchange and interest rates. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges. Hedging instruments include forwards and swap as derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Cash Flow Hedge

Hedging instruments (₹ in crores)

Particulars	Nominal Value	Carrying amount		Change in fair value	Hedge maturity	Line item in Balance sheet
		Assets	Liabilities			
Foreign Currency Risk						
Forward contract	1,151.05	-	-	16.99	April, 2017 to January, 2021	Other financial liabilities
Interest and currency Swap	201.88	-	213.29	11.40	May, 2017 to January, 2019	Long term borrowings and Other financial liabilities
Foreign currency term loans	139.20	-	143.85	4.64	September, 2017 to October, 2018	Long term borrowings

Hedge items

Particulars	Nominal Value	Change in fair value	Hedge reserve	Line item in Balance sheet
Foreign Currency Risk				
Highly probable exports	1,492.13	33.03	33.03	Other equity

Note 26: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders.

The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio at at 31st March, 2018 was as follows. (₹ in crores)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Borrowings		
Long term and Short term borrowings	536.34	400.93
Current maturities of Long term borrowings	85.22	44.00
Less: cash and cash equivalents	(21.29)	(40.31)
Adjusted net debt	600.28	404.62
Total Equity	4,791.58	4,770.74
Adjusted net equity	4,791.58	4,770.74
Adjusted net debt to adjusted equity ratio	**0.13**	**0.08**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year. The company has current and non-current investments in marketable instruments of ₹ 150.33 crores as on March 31, 2018.

Note 27: Employee benefits

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occures upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(₹ in crores)

		Defined benefit plans -	For the year ended March 31, 2018 Gratuity (Non-funded)	For the year ended March 31, 2017 Gratuity (Non-funded)
I		**Expenses recognised in statement of profit and loss during the year:**		
	1	Current Service Cost	0.70	0.65
	2	Past Service Cost	0.97	-
	2	Interest cost	0.44	0.42
		Total Expenses	**2.10**	**1.06**
II		**Expenses recognised in OCI**		
	1	Actuarial changes arising from changes in demographic assumptions	-	-
	2	Actuarial changes arising from changes in financial assumptions	(0.24)	0.26
	3	Actuarial changes arising from changes in experience adjustments	(0.01)	0.31
		Total Expenses	**(0.25)**	**0.57**
III		**Net (Asset) /Liability recognised as at balance sheet date:**		
	1	Present value of defined benefit obligation	8.03	6.63
	2	Net (Asset) /Liability - Current	1.30	1.06
		Net (Asset) /Liability - Non- Current	6.73	5.57
IV		**Reconciliation of Net (Asset) / Liability recognised as at balance sheet date:**		
	1	Defined benefit obligation at the beginning of the year	6.63	-
	2	Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd	-	5.89
	3	Current Service Cost	0.70	0.65
	4	Past Service Cost	0.97	-
	5	Interest cost	0.44	0.42
	6	Actuarial loss/(gain) due to change in financial assumptions	(0.24)	0.26
	7	Actuarial loss/(gain) due to change in demographic assumption	-	-
	8	Actuarial loss/ (gain) due to experience adjustments	(0.01)	0.31
	9	Benefit paid	(0.45)	(0.89)
		Net (asset) / liability at the end of the year	**8.03**	**6.63**
V		**Maturity profile of defined benefit obligation**		
	1	Within the next 12 months (next annual reporting period)	1.30	1.06
	2	Between 2 and 5 years	3.10	2.33
	3	Between 6 and 10 years	3.56	3.02
VI		**Quantitative sensitivity analysis for significant assumptions is as below:**		
	1	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
		(i) 0.5% increase in discount rate	(0.26)	(0.22)
		(ii) 0.5% decrease in discount rate	0.27	0.23
		(iii) 0.5% increase in rate of salary increase	0.22	0.20
		(iv) 0.5% decrease in rate of salary increase	(0.22)	(0.18)
		(v) 10% increase in employee turnover rate	0.05	0.06
		(vi) 10% decrease in employee turnover rate	(0.05)	(0.11)

2 Sensitivity analysis method

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

		As at 31st March, 2018	As at 31st March, 2017
VII	**Actuarial Assumptions:**		
1	Discount rate	7.60% p.a	7.15% p.a
2	Expected rate of salary increase	6.00% p.a	6.00% p.a
3	Attrition rate		
	Age Band		
	25 & Below	15.00% p.a	15.00% p.a
	26 to 35	12.00% p.a	12.00% p.a
	36 to 45	9.00% p.a	9.00% p.a
	46 to 55	6.00% p.a	6.00% p.a
	56 & above	3.00% p.a	3.00% p.a
4	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 19 under "Salaries and wages": Gratuity ₹ 2.10 crores (Previous year - ₹ 1.06 crores) and Leave encashment ₹ 1.94 crores (Previous year - ₹ 0.35 crores)

b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B Defined contribution plan

The Company makes contributions towards provident fund and super annuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. Amount recognised as an expense in the Statement of Profit and Loss - included in Note 19 - "Contribution to provident and other funds" ₹ 1.71 crore (Previous Year - ₹ 1.83 crore). The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Note 28 (i) : Merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company

The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ('DPCL") and Dishman Care Ltd. ('DCL') with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956 ("Scheme"). The Scheme inter alia provides for the following: a) Transfer and vesting of the Effluent Treatment Plants (ETP) Undertaking of DPCL into Company, a wholly owned subsidiary of DPCL, by way of slump sale; b) Followed by, amalgamation of DCL, a wholly owned subsidiary of DPCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961; c) Followed by, amalgamation of DPCL into and with Company in accordance with Section 2(1B) of the Income Tax Act, 1961. d) Upon Scheme becoming effective, the name of the Company have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" (DCAL).

The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned the Scheme and certified copy of the said order alongwith the scheme has been received by the Company on 2nd March, 2017. The Scheme has become effective upon filing of certified copy of said order of Hon'ble High Court with the Office of Registrar of Companies, Gujarat MCA on 17th March, 2017 ("Effective Date") and accordingly has been given effect in the books of accounts in financial year 2016-17. DPCL as a going concern, stands amalgamated with effect from the Appointed Date i.e. 1st January, 2015 and subsequently, the name of Company has been changed to Dishman Carbogen Amcis Ltd. w.e.f. 27th March, 2017 vide fresh certificate of change of name issued by the Office of Registrar of Companies, Gujarat. During FY 2017-18, the Company has issued its equity shares to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and subsequently the shares have been listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'bte High Court, Gujarat, which is different from Ind AS-103 "Business Combinations". Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of ₹ 4810.00 crores payable by way of issue of shares of the Company has been disclosed as Share Suspense Account under Other Equity. The excess of consideration payable over net assets acquired has been recorded as goodwill amounting ₹ 1326.86 crores, represented by underlying intangible assets acquired on amalgamation and is being amortized over the period of 15 years from the Appointed Date. Had Goodwill not been amortized as required under

Ind AS 103, the Depreciation and Amortization expense for the year ended March 31, 2018 would have been lower by ₹ 88.46 Crore (March 31, 2017 : ₹ 88.46 crores) and Profit before tax for the year ended March 31, 2018 and March 31, 2017 would have been higher by an equivalent amount.

Assets and liabilities taken over by the Company at fair value on appointed date from DPCL	**(₹ in crores)**
Property, plant and equipment	806.63
Capital work-in-progress	40.95
Other intangible assets	0.70
Investments	2,709.91
Loans and Advances	486.57
Inventories	172.64
Trade receivables	50.87
Cash and cash equivalents	34.59
Amalgamation adjustment account	24.38
	4,327.24
Debenture redemption reserve	(24.38)
Borrowings	(500.30)
Trade Payables	(73.19)
Deferred tax liabilities (Net)	(62.84)
Provisions	(6.25)
Other liabilities	(177.14)
Net assets taken over by the Company	**3,483.14**
Consideration to be discharged by the Company	4,810.00
161,394,272 Shares of the Company of ₹ 2/- each at a premium of ₹ 296.02 per share.	
Goodwill- excess of consideration over net assets taken over by the Company.	**1,326.86**

The Goodwill is attributable mainly to the Developed technology, Customer relationship, skills and technical talents, and synergies expected to be achieved out of consolidation of business in the form of wider portfolio of products and services with diversified resourses and deeper customer relationships. Accordingly Goodwill is amortised over its estimated useful life of 15 years.

The above assets and liabilities have been incorporated in the accounts of the Company as they stand as on April 1, 2016 after making adjustments for IndAS as required in line with the accounting policies, options and exemptions opted by the Company on transition to IndAS.

For the purpose of Ind AS adjustments and exemptions, the assets and liabilities of erstwhile DPCL as on 1.4.2015 after giving impact of merger have been considered as the previous GAAP carrying amounts.

Note 28 (ii) : Issue of bonus shares

On 5th May, 2016, erstwhile Dishman Pharmaceuticals and Chemicals Ltd., have allotted 8,06,97,136 equity shares of ₹ 2/- each, as fully paid-up bonus shares in the ratio of 1 (one) equity share for every 1 (one) equity share held to those shareholders whose names appeared in the Register of Members / List of Beneficial owners as on the Record Date i.e. on May 3, 2016.

Note 28 (iii) : Interim dividend

On 13th February, 2017, Board of Directors of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) have declared an Interim dividend of ₹ 1.20 (i.e. @ of 60%) per equity share on 16,13,94,272 equity shares of ₹ 2.00 each for the financial year 2016-2017 and DPCL had fixed 21st February, 2017 as the Record Date for the purpose of Payment of Interim Dividend for the financial year 2016-17.

Note 28 (iv) : Payment towards Corporate Social Responsibilty (CSR)

As per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), had to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy. During the FY 2016-17, the DPCL has spent total ₹ 1.82 crores towards CSR activity as against the amount of ₹ 1.81 crores required to be spent towards CSR activity as per Section 135 of the Companies Act, 2013.

Note 28 (v) : Managerial Remuneration

Erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) has three whole time Directors on its Board, who are eligible to draw remuneration as under as per the Board and Shareholder's approval: 1. Shri J. R. Vyas, Chairman & Managing Director – 5% of the Net Profit as approved by the Members. 2. Mr. Arpit J. Vyas, Managing Director & CFO – ₹ 1.80 crores per annum. 3. Mrs. D. J. Vyas, Whole-time Director– ₹ 1.80 crore per annum. The Remuneration to whole-time Directors paid by the DPCL falls under Section I of Part II of Schedule V to the Companies Act, 2013 (i.e. remuneration payable by the company having profits) and which is permissible as well as the same is in accordance with the provisions of Schedule V. Accordingly, DPCL has paid total Managerial Remuneration of ₹ 8.14 crores during the year 2016-17.

All the amounts stated at point 28 (ii) to (v) above which have declared/paid/incurred by erstwhile DPCL have been incorporated in the books of the account of the Company post merger and disclosed under relevant heads in the year 2016-17.

Note 29: Contingent liabilities (₹ in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Labour Law claims against the Company not acknowledged as debt	0.11	0.11
b) (i) Outstanding guarantees furnished to the bank in respect of wholly owned subsidiaries	211.64	262.48
(ii) Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	57.92	53.67
c) Disputed central excise duty (including service tax) liability	3.48	4.07
d) Disputed income tax liability for various assessment years for which appeals are pending with Appellate authorities, out of the said amount, the Company has paid ₹ 48.73 crores (Previous year ₹ 42.88 crores) under protest.	175.25	159.54
e) Disputed sales tax and central sales tax liability	4.34	4.34

Note 30: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Property, plant and equipment	16.59	10.01

(b) Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire instalments payable for vehicle acquired at the Balance sheet date are as under. (₹ in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:		
Within one year	0.26	0.27
Later than one year but not later than five years	0.38	0.64
Later than five years	-	-
	0.64	**0.91**

Rent expense relating finance lease (₹ in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Rent expense relating finance lease	0.08	0.11
Total rental expense relating to Hire charges	0.08	0.11

Finance lease in respect of lease hold land.

The Company has entered into finance lease for land. These leases are generally for a period of 99 years. These leases can be extended for further 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases.

(c) Disclosures in respect of Assets taken on operating lease

The Company has taken offices space on operating lease. Lease payment is recognised in Statement of Profit and Loss for the year is ₹ 1.82/- crores (PY. ₹ 1.75/- crores)

Note 31: Related party disclosure as per Ind AS 24 Related party disclosure

a) Details of related parties:

Description of relationship	Name of the related party
Holding Company	Bhadra Raj Holdings Pvt. Ltd. (from 31-03-2017)
Subsidiary	Dishman USA Inc.
Subsidiary	Dishman Europe Ltd.
Subsidiary	CARBOGEN AMCIS (Shanghai) Co. Ltd. (upto 30.09.2017)
Subsidiary	Dishman International Trading (Shanghai) Co. Ltd.
Subsidiary	Dishman Switzerland Ltd.
Subsidiary	CARBOGEN AMCIS Holding AG (formerely known as Dishman Pharma Solutions AG)
Subsidiary	Dishman Australasia Pty Ltd.
Subsidiary	CARBOGEN AMCIS Ltd., U.K.
Subsidiary	Dishman Middle East FZE
Subsidiary	Dishman Japan Ltd.
Subsidiary	Dishman Carbogen Amcis (Singapore) Pte Ltd.
Step Down Subsidiary	CARBOGEN AMCIS (Shanghai) Co. Ltd. (w.e.f. 01.10.2017)
Step Down Subsidiary	CARBOGEN AMCIS AG
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.
Step Down Subsidiary	Cohecie Fine Chemicals B.V. (struckdown in previous year)
Associates	Bhadra Raj Holdings Pvt. Ltd. (upto 26-03-2017)
Associates	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (upto 26-03-2017)
Key Management Personnel (KMP)	Mr. Janmejay R.Vyas
Key Management Personnel (KMP)	Mrs. Deohooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Key Management Personnel (KMP) - Non Executive Director	Mr. Mark C. Griffiths
Key Management Personnel (KMP) - Non Executive Director	Mr. Sanjay S. Majmudar
Key Management Personnel (KMP) - Non Executive Director	Mr. Ashok C. Gandhi
Key Management Personnel (KMP) - Non Executive Director	Mr. Subir Kumar Das
Key Management Personnel (KMP) - Non Executive Director	Mr. Rajendra S. Shah
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	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Azafran Innovacion Ltd.*
Entity in which KMP can exercise significant influence	Dishman Infrastructure Ltd.*
Entity in which KMP can exercise significant influence	Adimans Technologies Pvt. Ltd. *
Entity in which Relatives of KMP can exercise significant influence	Discus IT Pvt. Ltd.*
Entity in which Relatives of KMP can exercise significant influence	Discus Business Services LLP*

* Only where transactions have taken place during the year

b) Details of related party transactions for the year ended on 31st March, 2018 and balances outstanding as at 31st March, 2018, 31st March, 2017

(₹ in crores)

Particulars	Subsidiaries	Step Down Subsidiaries	Associates / Joint Ventures	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Total
Purchase of goods	4.69	12.13	-	-	-	-	16.82
	(13.08)	(3.27)	(-)	(-)	(-)	(0.02)	(16.37)
Sale of goods / services	280.74	37.33	-	-	-	1.23	319.29
	(276.01)	(60.28)	(1.04)	(-)	(-)	(0.01)	(337.34)
Sale of fixed assets	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Rendering of services	1.69	0.45	-	-	-	-	2.15
	(-)	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Receiving of services	6.61	0.13	-	0.02	0.08	2.52	9.35
	(5.58)	(-)	(-)	(-)	(-)	(1.18)	(6.76)
Investment	187.12	-	-	-	-	-	187.12
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Share Application Money	1.79	-	-	-	-	-	1.79
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of long term investments	167.37	-	-	-	-	-	167.37
	(-)	(-)	(-)	(2.62)	(0.03)	(-)	(2.65)
Interest income	0.21	-	-	-	-	4.55	4.76
	(-)	(1.54)	(-)	(-)	(-)	(4.55)	(6.10)
Dividend income	41.88	-	-	-	-	-	41.88
	(34.70)	(-)	(-)	(-)	(-)	(-)	(34.70)
Repayment loans & advances given	1.02	-	-	-	-	-	1.02
	(32.25)	(-)	(-)	(-)	(-)	(-)	(32.25)
Repayment of loans & advances received	-	-	-	-	-	-	-
	(-)	(-)	(-)	(2.10)	(-)	(-)	(2.10)
Remuneration	-	-	-	5.23	1.20	-	6.42
	(-)	(-)	(-)	(8.14)	(1.16)	(-)	(9.30)
Sitting fees to Non Executive Directors	-	-	-	0.08	-	-	0.08
	(-)	(-)	(-)	(0.10)	(-)	(-)	(0.10)
Commisson to Non Executive Directos	-	-	-	0.41	-	-	0.41
	(-)	(-)	(-)	(0.37)	(-)	(-)	(0.37)
Guarantee commission income	2.38	-	-	-	-	-	2.38
	(2.99)	(-)	(-)	(-)	(-)	(-)	(2.99)
Guarantees and collaterals given during the period	-	-	-	-	-	-	-
	(155.15)	(-)	(-)	(-)	(-)	(-)	(155.15)
Guarantees and collaterals withdrawn during the period	50.83	-	-	-	-	-	50.83
	(22.93)	(21.55)	(-)	(-)	(-)	(-)	(44.48)
Trade advances received	-	-	-	-	-	-	-
	(173.80)	(-)	(-)	(-)	(-)	(-)	(173.80)
Trade advances given	-	-	-	-	-	43.13	43.13
	(-)	(-)	(16.88)	(-)	(-)	(-)	(16.88)
Dividend paid	-	-	-	-	-	-	-
	(-)	(-)	(0.14)	(11.72)	(0.03)	(-)	(11.89)

(₹ in crores)

Particulars	Subsidiaries	Step Down Subsidiaries	Associates / Joint Ventures	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Total
Balances outstanding at the end of the year							
Trade receivables	45.98	12.80	-	-	-	2.58	61.36
	(49.86)	(6.02)	(-)	(-)	(-)	(1.23)	(57.11)
Trade advances given	-	-	-	-	-	60.01	60.01
	(6.28)	(-)	(-)	(-)	(-)	(16.88)	(23.16)
Trade advances received	118.05	-	-	-	-	-	118.05
	(151.29)	(-)	(-)	(-)	(-)	(-)	(151.29)
Guarantees and collaterals given	211.64	-	-	-	-	-	211.64
	(262.48)	(-)	(-)	(-)	(-)	(-)	(262.48)
Guarantees given by Dishman Infrastructure Ltd. on behalf of the company	-	-	-	-	-	38.45	38.45
	(-)	(-)	(-)	(-)	(-)	(54.49)	(54.49)
Loans and advances given	8.09	35.08	-	-	-	54.46	97.62
	(36.92)	(-)	(-)	(-)	-	(50.82)	(87.74)
Trade payables	3.37	1.21	-	0.02	0.07	0.00	4.67
	(0.90)	(0.23)	(-)	(0.08)	(-)	(-)	(1.21)

Note: Figures in bracket relates to the previous year

c) **Disclosure in respect of material transactions with related parties** (₹ in crores)

Particulars	Name of the related party	F.Y. 2017-18	FY 2016-17
Purchase of goods	CARBOGEN AMCIS (Shanghai) Co. Ltd.	11.21	13.08
	Shanghai Yiqian International Trade Co. Ltd.	5.61	3.27
Sale of goods / services	Dishman Europe Ltd.	185.46	197.06
	CARBOGEN AMCIS AG	36.48	41.49
	Dishman USA Inc.	89.18	70.88
Rendering of services	CARBOGEN AMCIS AG	-	0.02
	Dishman USA Inc.	0.55	-
	Dishman International Trading (Shanghai) Co..Ltd.	0.87	-
	Dishman Japan Ltd.	0.27	-
	Shanghai Yiqian International Trade Co. Ltd.	0.45	-
Receiving of services	Dishman USA Inc.	6.61	5.58
	Discus IT Pvt. Ltd.	2.05	1.04
Investment	Dishman Carbogen Amcis (Singapore) Pte. Ltd	187.12	-
Share Application Money given	Dishman Carbogen Amcis (Singapore) Pte. Ltd	1.79	
Sales of long term investment	Mr. Janmejay R.Vyas	-	2.58
	Mrs. Deohooti J.Vyas	-	0.03
	Mr. Arpit J.Vyas	-	0.01
	Dishman Carbogen Amcis (Singapore) Pte. Ltd	167.37	-
Interest income	CARBOGEN AMCIS (Shanghai) Co. Ltd.	0.21	1.54
	Dishman Infrastructure Ltd.	4.55	4.55
Dividend income	CARBOGEN AMCIS Holding AG	22.56	18.03
	Dishman Europe Ltd.	19.31	16.66
Repayment of loans and advances given	CARBOGEN AMCIS (Shanghai) Co. Ltd.	-	32.25
	Dishman Austriasia Pty. Ltd.	1.02	-
Repayment of loans and advances received	Mrs. Deohooti J.Vyas	-	2.10
Remuneration does not include post-employment benefits and Other long term benefits.	Mr. Janmejay R.Vyas	2.73	4.54
	Mrs. Deohooti J.Vyas	1.25	1.80
	Mr. Arpit J.Vyas	1.25	1.80
Sitting fees to Non Executive Directors	Mr. Sanjay S. Majmudar	0.03	0.03
	Mr. Ashok C. Gandhi	0.03	0.03
	Mr. Subir Kumar Das	0.02	0.02
	Mr. Rajendra S. Shah	0.01	0.01
Commission to Non Executive Directors	Mr. Sanjay S. Majmudar	0.13	0.12
	Mr. Ashok C. Gandhi	0.10	0.10
	Mr. Subir Kumar Das	0.10	0.09
	Mr. Rajendra S. Shah	0.08	0.07

(₹ in crores)

Particulars	Name of the related party	F.Y. 2017-18	FY 2016-17
Guarantee commission income	CARBOGEN AMCIS Holding AG	2.38	2.43
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	-	0.18
	Dishman USA Inc.	-	0.38
Guarantees and collaterals given during the period	Dishman USA Inc.	-	155.15
Guarantees and collaterals withdrawn during the period	Dishman USA Inc.	34.91	-
	Dishman Netherlands B.V.	-	21.55
	CARBOGEN AMCIS (Shanghai) Co. Ltd.	-	13.23
	CARBOGEN AMCIS Holding AG	15.92	9.70
Trade advances received	Dishman USA Inc.	-	173.80
Dividends paid	Mr. Janmejay R.Vyas	-	6.07
	Mrs. Deohooti J.Vyas	-	2.63
	Mr. Arpit J.Vyas	-	3.02
Outstanding balance of trade receivables	Dishman Europe Ltd.	10.89	18.95
	CARBOGEN AMCIS AG	10.85	4.42
	Dishman USA Inc.	31.31	23.63
Outstanding trade advances given	CARBOGEN AMCIS (Shanghai) Co. Ltd.	-	6.02
	Dishman Biotech Ltd.	60.01	16.88
Outstanding trade advances received	Dishman USA Inc.	118.05	151.29
Outstanding balances of guarantees and collaterals	CARBOGEN AMCIS Holding AG	91.40	107.32
	Dishman USA Inc.	120.24	155.15
Outstanding balance of Loans and advance	CARBOGEN AMCIS (Shanghai) Co. Ltd.	35.08	35.93
	Dishman Infrastructure Ltd.	54.46	50.82

(d) **Key management personnel compensation**

(₹ in crores)

	31 March 2018	31 March 2017
Executive directors*		
Remuneration (Refer Note No. 28 (v))	5.23	8.14
Total compensation	**5.23**	**8.14**

* Key managerial personnel is not entitled to any post-employment benefits and Other long term benefits. Hence, the above figures does not include the same.

(e) **Information Pertaining to Loans and Guarantees given to Subsidiaries (Information Pursuant to Regulation 34(3) of SEBI (LISTING OBLIGATION AND DISCLOUSRE REQUIREMENTS) REGULATIONS, 2015 and section 186(4) of Companies Act, 2013):**

(i) **Loans and advances in the nature of loans to subsidiaries / others**

(₹ in crores)

Name of the Company	Outstanding at the beginning of the year	Given during the year	Adjusted/ repaid during the year	Other adjustments	Closing at the end of the year	Maximum amount outstanding during the year	Purpose
Dishman Australasia Pty Ltd.	0.99	-	(0.99)		-	0.99	Other corporate purpose
CARBOGEN AMCIS (Shanghai) Co. Ltd.	23.23	-	-	(21.01)	2.22	23.23	Other corporate purpose
Dishman Infrastructure Ltd.	38.06	-	-	-	38.06	38.06	Other corporate purpose

(ii) **Guarantees given to subsidiaries :**

Name of the Company	As at March 31, 2018		As at March 31, 2017		Purpose
	Foreign currency in Mn.	Amount in ₹ Cr	Foreign currency in Mn.	Amount in ₹ Cr	
CARBOGEN AMCIS Holding AG	CHF 13.37	91.40	CHF 16.62	107.32	For loan obtained by subsidiary for business purpose.
Dishman USA Inc.	USD 18.45	120.24	USD 23.93	155.15	For loan obtained by subsidiary for business purpose.

Note 32: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 : (₹ in crores)

Particulars	2017-18	2016-17
a) Principal amount due to suppliers under MSMED Act, 2006	2.88	3.22
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.24	0.21
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	7.75	10.33
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	0.45	0.21
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.45	0.21

Note: The above information is given to the extent available with the Company and relied upon by the auditor.

Note 33: Earnings per share (₹ in crores)

		For the year ended 31st March, 2018	For the year ended 31 March, 2017
(a)	**Basic earnings per share**		
	From continuing operations attributable to the equity holders of the Company		
	Total basic earnings per share attributable to the equity holders of the Company	2.30	1.50
(b)	**Diluted earnings per share**		
	From continuing operations attributable to the equity holders of the Company		
	Total diluted earnings per share attributable to the equity holders of the Company	2.30	1.50
(c)	**Reconciliations of earnings used in calculating earnings per share**		
	Basic earnings per share		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
	From continuing operations	37.07	24.24
	Diluted earnings per share		
	Profit from continuing operations attributable to the equity holders of the Company:		
	Used in calculating basic earnings per share	37.07	24.24
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**37.07**	**24.24**
(d)	**Weighted average number of shares used as the denominator**	**2017-18 Number of shares**	**2016-17 Number of shares**
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	16,13,94,272	16,13,94,272
	Adjustments for calculation of diluted earnings per share:		
	Options	-	-
	Convertible bonds	-	-
	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	**16,13,94,272**	**16,13,94,272**

As at the year ended 31st March, 2017, upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL stand cancelled. Accordingly, EPS for the year ended 31st March, 2017 has been calculated based on outstanding shares of DPCL. As per IndAS – 33 "Earnings per share", EPS is to be calculated on the basis of Net Profit after tax and amounts under Other Comprehensive Income (Net of tax) are not to be considered.

Note 34: Off setting financial assets and financial liabilities

The are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March, 2018 and 31st March, 2017.

Note 35: (i) Details of research and development expenditure recognised as revenue expense (Other than contract research expenses)

(₹ in crores)

Particulars	**For the year ended 31 March, 2018**	**For the year ended 31 March, 2017**
Annual Maintenance	0.05	0.01
Consumables	0.07	0.09
Conveyance	0.09	0.10
Laboratory Expenses	0.95	0.98
Others	0.20	0.16
Power & Fuel	-	0.50
Repair & maintenance	0.30	0.24
Raw Material Consumption	0.11	0.19
Salary & Wages	3.43	2.95
Subscription Expenses	0.04	0.07
Total	**5.24**	**5.29**

Note 35: (ii) Details of research and development expenditure recognised as capital expenses (₹ in crores)

Particulars	**For the year ended 31 March, 2018**	**For the year ended 31 March, 2017**
Plant & Machinery	0.01	1.28
Office Equipments and Computers	0.08	0.02
CWIP - Laboratory equipment	0.61	-
Intangible assets under development	20.36	11.35
Total	**21.06**	12.65

Note 36: Segment reporting

As the Company's annual report contains both Consolidated and Standalone Financial Statements, segmental information is presented only on the basis of Consolidated Financial Statement. (Refer note No. 34 of Consolidated Financial Statements).

Note 37: The financial statements were authorised for issue by the Company's Board of directors on 16-May-2018.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN: 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Independent Auditors' Report

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Dishman Carbogen Amcis Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group, as at 31st March, 2018, their consolidated profit, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 28(i) of the Consolidated Ind AS Financial Statements detailing the accounting treatment relating to the Scheme involving merger of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Holding Company, which has been accounted in the previous year under the "Purchase Method" as per the Accounting Standard 14 – Accounting for Amalgamation (AS 14) in compliance with scheme of Amalgamation pursuant to Section 391 to 394 of Companies Act, 1956 approved by Hon'ble High Court of Gujarat. In accordance with the Scheme, the Holding Company has recognized goodwill on amalgamation amounting to ₹ 1,326.86 Crores which is amortised over its useful life. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) – 'Business Combinations'. Had the goodwill not been amortised as required under Ind AS 103, the Depreciation and Amortisation expense for the year ended March 31, 2018 would have been lower by ₹ 88.46 Crores and Profit before tax for the year ended March 31, 2018 would have been higher by an equivalent amount. Our opinion is not modified in respect of this matter.

Other Matters

a) Ind AS Financial statements of 2 (Two) subsidiaries included in the Consolidated Ind AS Financial Statements, whose Ind AS financial statements reflects total assets of ₹ 4.73 Crores and net assets of ₹ 2.16 Crores as at March 31, 2018, total revenue of ₹ 2.25 Crores and net cash outflow of ₹ 4.05 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements have been audited by one of the joint auditor and reliance has been placed by the other auditor in respect of this report.

b) We did not audit the Ind AS financial statements of 14 (Fourteen) subsidiaries, whose Ind AS financial statements reflects total assets of ₹ 2,776.16 Crores and net assets of ₹ 1,786.46 Crores as at March 31, 2018, total revenues of ₹ 1,641.19 Crores and net cash inflow amounting to ₹ 23.01 Crores for the for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   Our opinion on the Consolidated Ind AS Financial Statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder; as referred to in the Emphasis of Matter paragraph above, the Holding Company has given the accounting treatment of merger as per the Court approved Scheme in compliance with AS-14 "Accounting for Amalgamations" which is different from that prescribed under Ind AS-103 "Business Combinations";

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 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 Holding Company, and the operating effectiveness of such controls, we give our separate Report in the "Annexure".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27 on Contingent Liability to the Consolidated Ind AS Financial Statements;

  (ii) Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13 and Note No. 35 to the Consolidated Ind AS Financial Statements;

  (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.103523W / W100048	For V. D. Shukla & Co. Chartered Accountants ICAI Firm Registration No.110240W
Hemant J. Bhatt Partner Membership No. 036834 Place : Ahmedabad Date : May 16, 2018	Vimal D. Shukla Proprietor Membership No.036416 Place : Ahmedabad Date : May 16, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL) on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018]

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Holding Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No.103523W / W100048	For V. D. Shukla & Co. Chartered Accountants ICAI Firm Registration No.110240W
Hemant J. Bhatt Partner Membership No. 036834 Place : Ahmedabad Date : May 16, 2018	Vimal D. Shukla Proprietor Membership No.036416 Place : Ahmedabad Date : May 16, 2018

Consolidated Balance sheet
as at 31st March, 2018

(₹ in crores)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,503.33	1,343.36
(b) Capital work-in-progress	2	119.00	121.53
(c) Investment property	3	5.17	4.63
(d) Goodwill	4	3,532.95	3,455.13
(e) Other intangible assets	4	24.42	48.76
(d) Intangible assets under development		31.71	11.35
(g) Financial assets			
i. Investments	5(a) (i)	101.43	39.62
ii. Loans	5(c)	38.06	35.01
iii. Others	5(e)	4.61	2.77
(h) Deferred tax assets (Net)	6(a)	7.47	19.13
(i) Current tax Assets (Net)		86.21	87.64
(j) Other non-current assets	7	175.97	179.09
Total non-current assets		**5,630.33**	**5,348.02**
Current assets			
(a) Inventories	8	484.56	426.58
(b) Financial assets			
i. Investments	5(a) (ii)	94.35	-
ii. Trade receivables	5(b)	444.40	285.55
iii. Cash and cash equivalents	5(d) (i)	65.52	58.61
iv. Bank balances other than (iii) above	5(d) (ii)	3.54	28.78
v. Loans	5(c)	75.51	95.82
vi. Others	5(e)	24.43	145.35
(c) Other current assets	10	353.84	204.72
Total current assets		**1,546.15**	**1,245.40**
Total assets		**7,176.48**	**6,593.43**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11(a)	32.28	-
(b) Other equity	11(b)	5,075.05	4,813.98
		5,107.33	**4,813.98**
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	12(a)	524.98	460.12
(b) Provisions	13	234.34	221.40
(c) Deferred tax liabilities (Net)	6(a)	132.11	99.41
(d) Other non-current liabilities	14	-	4.86
Total non-current liabilities		**891.43**	**785.79**
Current liabilities			
(a) Financial liabilities			
i. Borrowings	11(b)	393.31	384.95
ii. Trade payables	11(c)	185.92	85.64
iii. Other financial liabilities	11(d)	287.05	166.09
(b) Other current liabilities	15	228.83	291.10
(c) Provisions	12	22.01	19.00
(d) Current tax liabilities (Net)	9	60.61	46.88
Total current liabilities		**1,177.72**	**993.66**
Total liabilities		**2,069.15**	**1,779.45**
Total equity and liabilities		**7,176.48**	**6,593.43**
Significant accounting policies	1		

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN : 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN : 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in crores)

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Revenue			
(a) Revenue from operations	16	1,694.78	1,713.69
(b) Other income	17	45.69	26.13
Total income		**1,740.47**	**1,739.82**
Expenses			
(a) Cost of materials consumed	18(a)	390.98	316.44
(b) Purchases of stock-in-trade		11.21	13.14
(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(b)	(65.26)	(0.28)
(d) Employee benefit expense	19	625.40	596.02
(e) Finance costs	20	48.83	49.01
(f) Depreciation and amortisation expense	21	211.42	213.50
(g) Other expenses	22	287.11	335.02
Total expenses		**1,509.68**	**1,522.85**
Profit before exceptional items, tax and share of profit from associates		**230.79**	**216.97**
Share of profit from associates		-	(0.89)
Profit before exceptional items and tax		**230.79**	**216.08**
Exceptional items		-	-
Profit before tax		**230.79**	**216.08**
Tax expense	23		
(a) Current tax		48.72	55.40
(b) Deferred tax		27.50	15.25
Profit after tax		**154.57**	**145.43**
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		0.22	14.56
(b) Income Tax on above		(0.09)	0.20
(c) Equity Instruments designated through other comprehensive income		5.83	(0.84)
(d) Income Tax on above		(2.04)	1.34
(B) Will be reclassified to profit or loss			
(a) (i) Movement in Foreign currency translation reserve		167.91	(214.01)
(b) (i) foreign exchange fluctuation in respect of cash flow hedge		(33.05)	-
Other Comprehensive Income for the year (net of tax)		**138.79**	**(198.75)**
Total comprehensive income for the year		**293.36**	**(53.32)**
Earnings per equity share for profit from operation attributable to owners of the entity:			
Profit for the year attributable to :			
(a) Owners of the Company		154.57	145.43
(b) Non Controlling Interest		-	-
Other Comprehensive Income for the year attributable to :		**154.57**	**145.43**
(a) Owners of the Company		138.79	(198.75)
(b) Non Controlling Interest		-	-
Total Comprehensive Income for the year attributable to :		**138.79**	**(198.75)**
(a) Owners of the Company		293.36	(53.32)
(b) Non Controlling Interest		-	-
		293.36	**(53.32)**
Earnings per equity share of face value of ₹ 2/- each:			
(a) Basic earnings per share (in ₹)	25	9.58	9.01
(b) Diluted earnings per share (in ₹)	25	9.58	9.01
Significant accounting policies	1		

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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

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

Hemant J. Bhatt
Partner
Membership No. 036834

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

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Arpit J. Vyas
Managing Director & CFO
DIN : 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Consolidated Cash Flow Statement
for the year ended 31st March, 2018

		(₹ in crores)
Particulars	**For the year ended 31 March, 2018**	**For the year ended 31 March, 2017**
Profit before tax	**230.79**	**216.07**
Adjustments for		
Depreciation and amortisation expense	211.42	213.50
Gain on disposal of property, plant and equipment	(1.94)	(2.66)
Interest Income	(8.32)	(12.51)
Dividend income	(5.88)	-
Finance costs	48.83	49.01
Net exchange differences	(1.04)	(0.66)
Bad trade and other receivables, loans and advances written off	0.28	0.33
Provision for doubtful trade and other receivables, loans and advances (net)	(7.33)	0.45
Loss on fixed assets sold / scrapped / written off	0.45	0.38
Mark to Market Loss / (Gain) on Forward Contracts	-	(20.88)
Guarantee Commission Received	(0.98)	(1.33)
Impairment of Non Current Assets	-	6.17
	466.28	**447.87**
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase) in trade receivables	(158.85)	(133.22)
(Increase) / Decrease in inventories	(57.98)	56.53
Increase / (Decrease) in trade payables	101.32	(1.33)
(Increase)/Decrease in loans and advances	(18.07)	64.68
Increase in provisions and other liabilities	(34.96)	6.03
Adjustment for translation difference in working capital	(37.72)	(22.12)
Cash generated from operations	**260.02**	**418.44**
Income taxes paid	(33.57)	(115.80)
Net cash inflow from operating activities	**226.44**	**302.64**
Cash flows from investing activities		
Purchase of property, plant and equipment	(216.45)	(147.96)
Investments in liquid instruments (net)	(148.39)	2.63
Decrease / (Increase) in other bank balances	23.45	(2.33)
Loans (given) / repaid	17.26	(18.02)
Proceeds from sale of property, plant and equipment	11.79	9.42
Guarantee Commission Received	0.98	1.33
Dividend income	5.88	-
Interest received	8.32	12.52
Net cash outflow from investing activities	**(297.16)**	**(142.41)**
Cash flows from financing activities		
Proceeds from borrowings long term borrowings	215.18	342.39
Repayment of borrowings long term borrowings	(97.08)	(440.65)
Proceeds/(Repayment) on short term borrowings (net)	8.36	33.35
Expenses for increase in authorise share capital	-	(1.30)
Interest paid	(48.83)	(51.50)
Dividends paid to company's shareholders	-	(19.37)
Net cash inflow (outflow) from financing activities	**77.62**	**(137.08)**

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2018

(₹ in crores)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net increase (decrease) in cash and cash equivalents	**6.90**	**23.15**
Cash and cash equivalents at the beginning of the financial year	58.61	-
Cash and cash equivalents acquired on account of merger	-	34.80
Effects of exchange rate changes on cash and cash equivalents	0.00	0.66
Cash and cash equivalents at end of the year	**65.52**	**58.61**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balance with banks		
- in current account	63.51	56.24
- in EEFC account	0.00	0.53
Deposits with maturity of less than three months	1.59	1.58
Cash on hand	0.42	0.26
Balances per statement of cash flows	**65.52**	**58.61**

Note:

1. All figures in bracket are outflow.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. The amalgamation of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Company, being a non cash transaction, has no impact on the Company's cash flow for the year. (Refer Note No. 28(i))
4. The amendments to Ind AS 7 Statement of Cash Flow requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The amendment has become efffective from April 1, 2017 and the required disclosure is made below:

	As at 31 March 2017	Cash Flows		Non-cash changes	As at 31 March 2018
		Proceeds	Repayments	Fair value changes	
Long-Term Borrowings (Current and Non Current)	564.76	215.18	97.12	0.04	682.86
Short-Term Borrowings	384.95	8.36	-	-	393.31

Significant accounting policies 1

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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Chartered Accountants
ICAI Firm Registration
No. 103523W / W100048

Hemant J. Bhatt
Partner
Membership No. 036834

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Place : Ahmedabad
Date : 16th May, 2018

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN: 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Statement of changes in equity
for the year ended 31st March, 2018

A. Equity share capital (₹ in crores)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Rs. In Crores	No. of Shares	Rs. In Crores
Balance at the beginning of the reporting period	-	-	2,50,000	0.05
Less: Cancellled on account of merger of Dishman Pharmaceuticals and Chemicals Limited (DPCL)		-	(2,50,000)	(0.05)
Add : Issued during the year	16,13,94,272	32.28	-	-
Balance at the end of the reporting period	16,13,94,272	32.28	-	-

Statement of Changes in Equity (₹ in crores)

Particulars	Shares suspense account	Securities Premium Reserve	Retained Earnings	Foreign currency translation reserve	Equity instruments through OCI	Cash flow hedge reserves	Total
Balance as at 1st April, 2016 (Acquired on account of merger (Refer Note No. 28(i))	-	-	(76.21)	170.32	-	-	94.11
Profit for the year	-	-	145.42	-	-	-	145.42
Other comprehensive income for the year	-	-	14.76	(214.00)	0.50	-	(198.74)
Total Comprehensive Income for the year	**-**	**-**	**160.18**	**(214.00)**	**0.50**	**-**	**(53.32)**
Interim Dividend paid	-	-	(19.37)	-	-	-	(19.37)
Expenses debited for increase in authorised share capital	-	-	(1.30)	-	-	-	(1.30)
Issue of bonus shares	-	-	(16.14)	-	-	-	(16.14)
Shares to be issued to shareholders of DPCL	4,810.00	-	-	-	-	-	4,810.00
Balance as at 31st March, 2017	**4,810.00**	**-**	**47.16**	**(43.68)**	**0.50**	**-**	**4,813.98**
Profit for the year	-	-	154.57		-	-	154.57
Other comprehensive income for the year	-	-	0.13	167.89	3.80	(33.05)	138.77
Total Comprehensive Income for the year	**-**	**-**	**154.70**	**167.89**	**3.80**	**(33.05)**	**293.35**
Profit on sale of shares of investment	-	-	-	-	-	-	-
Issue of shares	-	4,777.72	-	-	-	-	4,777.72
Shares issued to shareholders of DPCL	(4,810.00)	-	-	-	-	-	(4,810.00)
Balance as at 31st March, 2018	**-**	**4,777.72**	**201.87**	**124.21**	**4.30**	**(33.05)**	**5,075.05**

Significant accounting policies 1

The accompanying notes form an integral part of these Financial Statements.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

Place : Ahmedabad
Date : 16th May, 2018

For V. D. Shukla & Co.
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Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

1.0 Background

Dishman Carbogen Amcis Limited (CIN: L74900GJ2007PLC051338) is a public company limited by shares incorporated on 17th July, 2007 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat. The Company and its subsidiaries (the 'Group') is engaged in Contract Research and Manufacturing Services (CRAMS) and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants with presence in Switzerland, UK, Europe, China and other countries. It has manufacturing and research facilities in India, Switzerland, France, Netherland and China. The equity shares of Dishman Carbogen Amcis Limited are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges").

2.0 Significant accounting policies

2.1 Basis of Preparation

These Consolidated Financial Statements of Dishman Carbogen Amcis Limited (the 'Company') and its subsidiaries (hereafter referred to as 'the Group') and its associates have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) of India under the historical cost convention and on accrual basis of accounting unless stated otherwise. GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (The 'Act'), and other provisions of the Act.

2.2 Statement of Compliance

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) and other relevant provisions of the Act.

2.3 Basis of Consolidation:

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exist when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affects those returns through power over the entity. In accessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. For the purpose of preparing these consolidated financial statements, the accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Company.Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance sheet respectively.

Associates and Joint ventures (Equity accounted investee)

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

2.4 Business Combination

(i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

(ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

(iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

(iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

(v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

(vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

(vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(viii) Any goodwill that arises on account of such business combination is tested annually for impairment.

(ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(x) In respect of merger of Dishman Pharmaceuticals and Chemicals Limited and Dishman Care Limited with the Holding Company, the accounting treatment has been given as per the Court approved scheme.

2.5 Inventories

Inventories are valued at cost as per moving weighted average price or net realisable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Inventories of stores and spare parts are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business.

2.6 Property, plant and equipment

Freehold land is carried at historical cost and not depreciated. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including good and service tax and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located. Properties in the course of construction are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on the subsequent cost capitalisation are depreciated over the remaining useful life of the assets.

Depreciation has been provided on straight line method and in the manner specified in Schedule II of the Companies Act, 2013 based on the useful life specified in Schedule II except where management estimate of useful life is different.

The useful lives have been determined based on technical evaluation done by the management's expert taking into account the nature of the asset, past history of replacement, anticipated technology changes etc.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.7 Goodwill and Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

In respect of business combination that occurred prior to transition date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increase the future economic benefits embodied in the specific assets to which it relates. All other expenditure are recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets upto ten years from the date that they are available for use.

Goodwill arising on merger of Dishman Pharmaceuticals and Chemicals Ltd (DPCL) with the Company has been recognised as per the Court scheme. Said Goodwill has been amortised in accordance with the Court scheme for which the Company has estimated useful life of 15 years.

Internally generated intangible asset: Research and Development

Expenditure on research activity is recognised as expense in the period in which it is incurred. An internally generated intangible asset arising from development is recognised, if any only if, all of the following conditions have been fulfilled:

- Development costs can be measured reliably
- The product or process is technically and commercially feasible. Future economic benefits are probable and
- The Group intends to and has sufficient resources to complete development and to use or sell the asset.

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties are depreciated using the straight-line method over their estimated useful lives.

2.9 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

2.10 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.11 Impairment of non-financial assets

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

2.12 Foreign Currency transaction/ translation

Transaction and balances

Transactions in foreign currencies are initially recognised in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss.Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign exchange differences regarded as an adjustment to the borrowing cost are presented in the Statement of profit or loss with in finance cost. All other foreign currency differences arising on translation are recognised in statement of profit and loss on net basis with in other gain/ (losses).

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Consolidated Statement of Profit and Loss as a part of gain or loss on disposal.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as revenue are net of returns, trade discount, rebates, sales tax, value added taxes and Goods & Services Tax.

Sale of goods

Revenue from sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards varied depending on the individual terms of the sales agreement.

Sales of services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion of the contract is determined based on actual service provided as a proportion of the total service to be provided. Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Dividend and interest income

Dividend is recognised as income when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives

Duty drawback and MEIS and SEIS benefits are recognized at the time of exports and the benefits in respect of licenses received by the Group against export made by it are recognized as and when goods are imported against them.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Group's contribution to provident fund, employee state insurance scheme, superannuation fund and certain pension schemes are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and pension, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.15 Taxation

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

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such setoff.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the year

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

2.16 Leases

Finance lease

Leases where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

(i) Classification, recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain and loss on derecognition of the financial instrument measured at amortised cost recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement. Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method. On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which arise.	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Change in fair value of such instrument is recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments is however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets is recorded in income statement.

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Impairment:

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

(iii) Derecognition of financial assets:

A financial asset is derecognised only when

(a) the company has transferred the rights to receive cash flows from the financial asset or

(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) Foreign exchange gain or losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss except for those which are designated as hedging instruments in the hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purpose of recognising foreign exchange gain and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(v) Investments in Subsidiaries:

The Company has availed an option stated under Ind AS 101 and measured investments in equity instruments of subsidiaries at Cost as per Ind AS 27. The Carrying amount is reduced to recognise impairment, if any, in value of investments.

B. Financial liabilities and equity instruments:

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

Classification, recognition and measurement:

(a) Equity Instruments:

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

(b) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories :

- at amortised cost
- at fair value through profit or loss (FVTPL)

(i) Financial liabilities at amortised cost:

The company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

(ii) Financial liabilities at fair value through profit or loss:

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

Derecognition:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(c) Financial guarantees contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

C. Derivative financial instruments:

Foreign exchange forward contracts are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. Derivative contracts which do not qualify for hedge accounting under Ind AS109, are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through profit or loss. Gain or loss arising from changes in the fair value of the derivative contracts are recognised in other comprehensive income. Realized gain or loss arising on forward contract / hedging instruments relating to forecast sales are included under Other Operating Income in the Statement of Profit and Loss. Derivatives contracts which are qualified for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured at fair value through other comprehensive income.

D. Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Fair value measurement:

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservableProvisions and ContingenciesProvisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

2.19 Provisions and contengencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probablethat an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

2.20 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

2.21 Cash and cash equivalent:

Cash and cash equivalent in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.22 Dividend distribution to equity shareholders:

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

2.23 Earnings per share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.24 Current/ Non-current classification:

An assets is classified as current if:

(a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be realised within twelve months after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at lease twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

2.25 Ind AS Standard not yet Effective:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard) w.e.f. April 01, 2018 , which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The New Revenue Standard establishes principles for recognising revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The New Revenue Standard provides additional guidance on areas such as multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property along with significant additional disclosures in relation to revenue. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company continues to evaluate the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii. Ind AS 40 - Investment Property

iii. Ind AS 12 - Income Taxes

iv. Ind AS 28 - Investments in Associates and Joint Ventures and

v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

2.26 Significant accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Group's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial

a. Useful lives of property, plant and equipment and Goodwill:

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised. The goodwill recorded on merger has been amortised based on its estimated benefit / estimated useful life of 15 years.

b. Arrangement containing lease:

At the inception of an arrangement whether the arrangement is or contain lease. At the inception or reassessment of an arrangement that contains a lease, Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are not in the nature of lease.

c. Service Income:

The group uses the percentage of completion method in accounting for its fixed price contract. Use of percentage of completion requires the group to estimate the service performed to date as a proportion of the total service to be performed. Determination of the stage of completion is technical matter and determined by the management experts.

d. Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

e. Defined benefit plan:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f. Allowances for uncollected accounts receivable and advances:

Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

g. Allowances for inventories:

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

h. Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

i. Taxation:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

j. Contingencies:

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

Note 2: Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office equipment & Computer & Printers	Electrical Installations	Laboratory Equipments	Total	Capital work-in-progress
Year ended 31st March, 2017											
Gross carrying amount											
Opening gross carrying amount	-	-	-	-	-	-	-	-	-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	138.68	132.61	604.37	1,375.67	37.63	7.40	29.56	50.29	20.91	2,397.13	125.86
Additions	17.48	-	29.57	82.42	2.41	5.76	1.45	1.39	1.27	141.75	92.92
Disposals	-	-	(2.07)	(11.47)	(0.50)	(0.07)	(0.32)	-	-	(14.43)	(0.14)
Transfers	-	-	-	-	-	-	-	-	-	-	(92.25)
Exchange Difference	(0.09)	-	(34.17)	(64.65)	(2.26)	-	(1.80)	-	-	(102.97)	(4.86)
Closing gross carrying amount	**156.08**	**132.61**	**597.70**	**1,381.97**	**37.29**	**13.09**	**28.89**	**51.68**	**22.18**	**2,421.48**	**121.53**
Accumulated depreciation	-	-	-	-	-	-	-	-	-		
Acquisition on account of merger (Refer Note No. 28(i))	-	(1.90)	(251.57)	(721.98)	(28.69)	(1.74)	(25.77)	(5.61)	(3.05)	(1,040.31)	-
Depreciation charge during the year	-	(1.52)	(22.36)	(86.00)	(1.81)	(1.70)	(1.05)	(4.84)	(1.62)	(120.90)	-
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(0.26)	8.04	0.39	0.05	0.28	-	-	8.49	-
Exchange Difference	-	-	16.38	54.69	1.81	-	1.71	-	-	74.59	-
Closing accumulated depreciation and impairment	-	**(3.42)**	**(257.81)**	**(745.26)**	**(28.30)**	**(3.38)**	**(24.84)**	**(10.44)**	**(4.67)**	**(1,078.13)**	-
Net carrying amount	**156.08**	**129.19**	**339.89**	**636.71**	**8.98**	**9.71**	**4.05**	**41.24**	**17.51**	**1,343.36**	**121.53**
Year ended 31st March, 2018											
Gross carrying amount											
Opening gross carrying amount	156.08	132.61	597.70	1,381.97	37.29	13.09	28.89	51.68	22.18	2,421.48	121.53
Additions during the year		43.92	78.35	58.13	6.21	3.05	12.17	5.79	27.87	235.49	112.17
Disposals	-	(0.72)	(29.72)	(11.17)	(2.26)	(0.33)	(0.19)	-	(0.66)	(45.05)	(0.45)
Transfers	-	-	-	-	-	-	-	-	-	-	(132.98)
Exchange Difference	3.76		36.15	56.40	2.07	0.22	2.44	0.87	10.26	112.17	18.72
Closing gross carrying amount	**159.84**	**175.81**	**682.48**	**1,485.33**	**43.31**	**16.03**	**43.31**	**58.34**	**59.65**	**2,724.09**	**119.00**
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	(3.42)	(257.81)	(745.26)	(28.30)	(3.38)	(24.84)	(10.44)	(4.67)	(1,078.13)	
Depreciation charge during the year	-	(2.56)	(27.65)	(65.19)	(1.22)	(2.35)	(1.57)	(4.83)	(12.96)	(118.33)	
Impairment loss	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	24.59	10.74	0.37	0.25	0.05	-	0.52	36.52	
Exchange Difference	(1.46)	-	(15.49)	(27.21)	(0.12)	(3.65)	(1.65)	(2.52)	(8.73)	(60.83)	
Closing accumulated depreciation and impairment	**(1.46)**	**(5.98)**	**(276.36)**	**(826.92)**	**(29.27)**	**(9.13)**	**(28.01)**	**(17.79)**	**(25.84)**	**(1,220.77)**	-
Net carrying amount	**158.38**	**169.83**	**406.12**	**658.41**	**14.03**	**6.90**	**15.30**	**40.55**	**33.81**	**1,503.33**	**119.00**

Note:

(i) Property, plant & Equipment pledged as a security: Refer note 12 for information on Property, plant & Equipment pledged as a security by the group

(ii) Contractual Obligation: Refer note 30 for disclosure of Contractual Obligation for the acquisition of Property, plant & Equipment

(iii) Plant and machinery held under finance lease

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Cost	79.56	56.10
Accumulated depreciation	19.70	11.04
Net carrying amount	**59.86**	**45.06**

The lease term is repect of assets acquired under finance leases generally expire within 3 to 6 years. Under the terms of the leases, group has the option to purchase the leases assset at the end of the term below their fair value. Leased assets are pledged as security for the related finance lease liabilities.

Note 3: Investment properties

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Gross carrying amount		
Opening gross carrying amount	6.27	-
Acquisition on account of merger (Refer Note No. 28(i))	-	6.84
Additions -	-	
Translation reserve	0.47	(0.57)
Closing gross carrying amount	**6.74**	**6.27**
Accumulated depreciation		
Opening	(1.64)	-
Acquisition on account of merger (Refer Note No. 28(i))	-	(1.61)
Depreciation charged during the year	(0.21)	(0.18)
Translation reserve	0.28	0.15
Closing accumulated depreciation	**(1.57)**	**(1.64)**
Net carrying amount	**5.17**	**4.63**

(i) Amounts recognised in profit or loss for investment properties

(₹ in crores)

Rental income	0.41	0.25
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Less: Depreciation	(0.21)	(0.19)
Profit from investment properties	**0.20**	**0.06**

(ii) Fair value

(₹ in crores)

Investment properties	8.96	7.71

Estimation of fair value

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Investment property comprises of few properties that are leased to third parties. Each of the leases contains an initial noncancellable period of one month. Subsequent renewals are negotiated with the lessee.

Note 4: Intangible assets

(₹ in crores)

Particulars	Computer software	Copyrights, patents & other Intellectual property rights, services and operating rights	Brands / Trademarks	Total	Goodwill
Year ended 31st March, 2017					
Gross carrying amount	-		-	-	-
Acquisition on account of merger (Refer Note No. 28(i))	31.63	63.08	18.18	112.89	1,326.86
Goodwill on consolidation	-	-	-	-	2,501.91
Additions	2.49	0.83	3.01	6.33	-
Translation adjustments	(1.91)	(4.74)	(1.15)	(7.80)	(174.62)
Closing gross carrying amount	**32.21**	**59.17**	**20.04**	**111.42**	**3,654.15**
Accumulated amortisation and impairment					
Acquisition on account of merger (Refer Note No. 28(i))	(21.42)	(32.75)	(8.86)	(63.03)	(110.56)
Amortisation charge for the year	(2.70)	(1.18)	(0.05)	(3.93)	(88.46)
Translation adjustments	1.45	2.29	0.55	4.29	
Closing accumulated amortisation	**(22.67)**	**(31.64)**	**(8.36)**	**(62.67)**	**(199.02)**
Closing net carrying amount	**9.54**	**27.53**	**11.68**	**48.75**	**3,455.13**
Year ended 31st March, 2018					
Gross carrying amount	-	-	-	-	-
Opening gross carrying amount	32.21	59.17	20.04	111.42	3,654.15
Additions	-	9.45	-	9.45	-
Disposals	-	(48.40)	-	(48.40)	
Translation adjustments	1.89	1.45	0.86	4.20	166.29
Closing gross carrying amount	**34.10**	**21.66**	**20.90**	**76.67**	**3,820.44**
Accumulated amortisation and impairment					
Opening accumulated amortisation	(22.67)	(31.64)	(8.36)	(62.67)	(199.02)
Amortisation charge for the year	(3.99)	(0.43)	-	(4.42)	(88.46)
Amortisation on Disposals		17.08	-	17.08	-
Impairment charge	-	-	-	-	-
Translation adjustments	(0.69)	(1.20)	(0.36)	(2.25)	-
Closing accumulated amortisation and impairment	**(27.35)**	**(16.18)**	**(8.72)**	**(52.25)**	**(287.48)**
Closing net carrying amount	**6.75**	**5.48**	**12.18**	**24.42**	**3,532.95**

Goodwill

The goodwill at each CGU level is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using the net present value of the projected post-tax cashflows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Goodwill acquired through business combinations has been allocated to their underlying geographical classification:

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(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
CGUs (Goodwill)		
India	1,039.38	1,127.84
Switzerland	2,178.32	2,042.95
UK,Netherland & Europe	208.27	190.79
China	84.03	76.21
Rest of the World	22.95	17.34
	3,532.95	**3,455.13**

Key assumptions used in the value in use calculations

The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminat growth rate thereafter of 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable.

Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 10.9% for the year ended March 31, 2018.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2018.

Note 5: Financial assets

5(a) (i) Non-current investments

(₹ in crores)

Particulars	% of holding	As at 31 March 2018	As at 31 March 2017
Investment in equity instruments (fully paid-up)			
A) Quoted			
(i) Investment in Quoted Equity shares carried at Fair value through other comprehensive Income			
(a) Bank of India (March 31, 2018 : 2,100 (March 31, 2017: 2,100) equity shares of Face value of ₹ 10/- each fully paid up)		0.02	0.03
(ii) Other investment which are carried at Fair value through statement of profit and loss			
(a) HDFC Housing Opportunities Fund (March 31, 2018 : 50,00,000 (March 31, 2017: Nil) units of Face value of ₹ 10/- each)	-	4.79	-
(b) HDFC Perpetual Bond (March 31, 2018 : 250 (March 31, 2017: Nil) bonds of Face value of ₹ 10,00,000/- each)	-	26.98	-
(c) ZEE Entertainment Enterprise Ltd - Preference shares (March 31, 2018 : 4,00,00,000 (March 31, 2017: Nil) preference shares of ₹ 8/- each out of which ₹ 6/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)	-	24.22	-
B) Unquoted			
(ii) Investment in other entities which are carried at Fair value through Other Comprehensive Income			
(a) CAD Middle East Pharmaceuticals Ind LLC (March 31, 2018 : 21,900 (March 31, 2017: 21,900) equity shares of Face value of SAR 1,000/- each fully paid up)	10.95	45.41	39.56
(b) Nami Trading Co-FZE LLC (March 31, 2018 : 15 (March 31, 2017: 15) equity shares of Face value of AED 1,000/- each fully paid up)	-	0.02	0.03
(c) Stuti(Ambawadi) Owners' Association (March 31, 2018 : 30 (March 31, 2017: 30) equity shares of Face value of ₹ 100/- each fully paid up)	-	0.00	0.00
(d) Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (March 31, 2018 : 30 (March 31, 2017: 30) equity shares of Face value of ₹ 100/- each fully paid up)	-	0.00	0.00
Total		**101.43**	**39.62**
Total non-current investments		**101.43**	**39.62**
Aggregate amount of quoted investments and market value thereof		56.00	0.03
Aggregate amount of unquoted investments- book value/ market value		45.43	39.59
Aggregate amount of impairment in the value of investments		-	-

Note :

1. Equity Shares designated as at Fair value through other comprehensive income:
   At 1st April, 2016 the company designated the investments shown below as equity shares atFair value through other comprehensive income because these equity shares represent investments that the company intends to hold for lon term strategic purpose.

Particulars	Fair value As at 31 March 2018	Fair value As at 31 March 2017
1. CAD Middle East Pharmaceuticals Ind LLC	45.41	39.56
2. Nami Trading Co-FZE LLC	0.02	0.03
3. Bank of India	0.02	0.03

5(a) (ii) Current investments

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
A. Quoted		
(i) Other investment which are carried at Fair value through statement of profit and loss		
SBI Arbitrage Opportunity Fund (March 31, 2018 : 75,66,152 (March 31, 2017: Nil) units of NAV of ₹ 13.30/- each)	10.09	-
ZEE Entertainment Enterprise Ltd - Preference Shares (March 31, 2018 : 4,00,00,000 (March 31, 2017: Nil) preference shares of ₹ 8/- each out of which ₹ 6/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)	9.20	-
Vedanta Ltd. - Preference Share (March 31, 2018 : 2,50,00,000 (March 31, 2017: Nil) preference shares of Face value of ₹ 10/- each fully paid up)	25.39	-
JM Financial Asset Reconstruction Company Ltd. - Commercial papers (March 31, 2018 : 25,00,000 (March 31, 2017: Nil) commercial papers of Face value of ₹ 100/- each)	23.46	-
B. Others		
Fixed Deposit with Dewan Housing Finance Ltd.	26.21	-
Total current investments	**94.35**	**-**
Aggregate amount of quoted investments and market value thereof	68.14	-
Aggregate amount of unquoted investments	26.21	-

5(b) Trade receivables

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Unsecured, Considered good	452.52	301.01
Less: Allowances as per expected credit loss model	(8.12)	(15.46)
	444.40	285.55
Unsecured, Considered doubtful	3.40	3.40
Less: Allowance for doubtful debts	(3.40)	(3.40)
Total receivables	**444.40**	**285.55**
Current portion	444.40	285.55
Non-current portion	-	-

1. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person

2. Trade receivable due from private companies in which any director is a partner, director or a member is ₹ 2.58 crores (As at March 31, 2017 : ₹ 1.21 crores).
3. Trade receivable are non- interest bearing and are generally on credit terms in the rage of 30 to 120 days.
4. The company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 37.
5. For receivables secured against borrowings see Note 12.

5 (c) Loans (₹ in crores)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Loan to related parties (Refer Note No. 31)	41.73	38.06	38.06	33.41
Loan to employees	2.34	-	0.37	-
Other Loans	31.44	-	57.39	1.60
Total loans	**75.51**	**38.06**	**95.82**	**35.01**

Note: Of the above, loan amounting to ₹ 79.79 crores (P.Y. ₹ 71.47 crores) is given to the Companies in which Company's Director is also a director.

5 (d) (i) Cash and cash equivalents (₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in current accounts	63.51	56.24
- in EEFC accounts	0.00	0.53
Deposits with maturity of less than three months	1.59	1.58
Cash on hand	0.42	0.26
Total cash and cash equivalents	**65.52**	**58.61**

5 (d) (ii) Bank Balances Other than Cash and cash equivalents (₹ in crores)

	As at 31 March 2018	As at 31 March 2017
(a) Earmarked balances with banks for:		
(i) Unpaid Dividend	0.13	0.08
(ii) Balances held as margin money or security against borrowings, guarantees and other commitments	3.41	10.35
(b) In other deposit account	-	18.35
	3.54	**28.78**

5 (e) Other financial assets (₹ in crores)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non- current	Current	Non- current
Unsecured, considered good unless otherwise stated				
(a) Fixed deposits having maturity of more than one year	-	2.25	-	0.45
(b) Interest Receivable (Refer Note No. 31)	18.12	-	12.41	-
(c) Guarantee Commission Receivable	6.10	-	7.60	-
(d) Foreign Exchange Forward Contract Receivables	-	-	20.87	-
(f) Other receivables	0.21	2.36	104.47	2.32
Total other financial assets	**24.43**	**4.61**	**145.35**	**2.77**

Note 6 (a) : Deferred tax assets (₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Deferred tax asset on account of:		
Unabsorbed losses	10.58	18.72
Provision for post retirement benefits	0.65	0.56
Inventory	0.28	-
Others	-	0.01
	11.51	**19.29**
Deferred tax liability on account of:		
Depreciation	(4.04)	(0.16)
	(4.04)	**(0.16)**
Net deferred tax assets/(Liabilities)*	**7.47**	**19.13**

***Represent aggregate for entities having net deferred tax assets**

Note 6 (b) : Deferred tax Liabilities

The balance comprises temporary differences attributable to: (₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Deferred tax asset on account of:		
Unabsorbed losses	145.51	147.72
Provision for post retirement benefits	30.37	31.37
Loans	2.44	1.55
Others	0.63	7.83
	178.94	**188.47**
Minimum alternate tax (MAT) credit Entitlement	31.57	29.70
	210.51	**218.17**
Deferred tax liability on account of:		
Depreciation	(315.27)	(299.85)
Inventory	(22.86)	(15.54)
DTL on MTM	(2.64)	-
Others	(1.84)	(2.19)
	(342.62)	**(317.58)**
Net deferred tax assets/(Liabilities)*	**(132.10)**	**(99.41)**

***Represent aggregate for entities having net deferred tax liabilities**

Note 6 (c) Movements in deferred tax assets/liabilities (₹ in crores)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Directly debited in Reserve and Surplus	Translation Adjustments	As at March 31, 2018 Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)								
Unabsorbed losses	166.68	(6.55)	-	-	(4.04)	156.09	156.09	-
Provision for post retirement benefits	36.98	(1.45)	-	-	(4.51)	31.02	31.02	-
Depreciation	(306.63)	(11.33)	-	-	(1.91)	(319.87)	-	(319.87)
Inventory	(15.54)	(3.48)	-	-	(3.56)	(22.58)	-	(22.58)
Loans	1.55	0.89	-	-	-	2.44	2.44	-
Investments	1.66	(0.90)	(2.04)	-	-	(1.28)	-	(1.28)
DTL on Mark to Market	-	(2.64)	-	-	-	(2.64)	-	(2.64)
Others	5.32	(3.91)	(0.09)	-	(0.69)	0.63	0.63	-
Deferred tax assets (Liabilities)	**(109.99)**	**(29.37)**	**(2.13)**	**-**	**(14.71)**	**(156.20)**	**190.70**	**(346.38)**
Minimum Alternate Tax (MAT) credit entitlement	29.70	1.87	-		-	31.57	31.57	-
Net Deferred tax assets/(Liabilities)	**(80.29)**	**(27.50)**	**(2.13)**	**-**	**(14.71)**	**(124.64)**	**221.74**	**(346.38)**

Particulars	Net balance April 1, 2016*	Recognised in profit or loss	Recognised in OCI	Translation Adjustments	As at March 31, 2017 Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Unabsorbed losses	144.62	24.12	-	(2.06)	166.68	166.68	-
Provision for postretirement benefits	35.68	2.10	1.34	(2.15)	36.98	36.98	-
Depreciation	(260.71)	(47.23)	-	1.31	(306.63)	-	(306.63)
Inventory	(14.47)	(2.06)	-	0.99	(15.54)	-	(15.54)
Loans	1.55	-	-	-	1.55	1.55	-
Investments	1.46	-	0.20	-	1.66	1.66	-
Others	5.21	0.31	-	(0.20)	5.32	5.32	-
Deferred tax assets (Liabilities)	**(86.67)**	**(22.76)**	**1.54**	**(2.11)**	**(109.99)**	**212.18**	**(322.17)**
Minimum Alternate Tax (MAT) credit entitlement	22.18	7.51	-	-	29.70	29.70	-
Net Deferred tax assets/(Liabilities)	**(64.48)**	**(15.24)**	**1.54**	**(2.11)**	**(80.29)**	**241.88**	**(322.17)**

**Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company.*

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Minimum Alternative Tax (MAT credit) balance as on 31st March, 2018 amounts to ₹ 31.57 crores (As at 31st March, 2017 : ₹ 29.70 crores). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 7: Other non-current assets (₹ in crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Unsecured considered good, unless otherwise stated		
(a) Capital advances		
Considered Good	159.03	165.62
Considered Doubtful	3.10	3.10
	162.14	168.72
Less: Provision for doubtful advances	(3.10)	(3.10)
	159.03	165.62
(b) Prepaid expenses	0.90	-
(c) Recoverable from Government authorities	16.04	13.47
Total other non-current assets	**175.97**	**179.09**

Note 8 : Inventories (At lower of cost and Net realisable value) (₹ in crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
(a) Raw materials	81.60	90.78
(b) Work-in-progress	272.05	193.64
(c) Finished goods	123.43	136.58
(d) Stores and spares	7.48	5.57
Total inventories	**484.56**	**426.58**

Note:

1. For Inventories pledged as securities against borrowings, see Note 12.

Note 9 : Current tax assets (Net) (₹ in crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Current tax assets		
Advance income tax (Net of provisions)	86.21	87.64
	86.21	**87.64**
Current tax Liabilities		
Provision for current tax (Net of advance tax)	60.60	46.88
	60.60	**46.88**

Note 10: Other current assets

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured considered good, unless otherwise stated		
(a) Advances other than Capital advances		
(i) Prepaid Expenses	56.08	3.09
(ii) Advances & recoverables		
Considered Good	259.92	177.74
Considered Doubtful	0.15	0.15
	260.07	177.89
Less: Provision for other doubtful advances and other receivables	(0.15)	(0.15)
	259.92	177.74
(b) Recoverable from Government authorities	37.84	23.89
Total other current assets	**353.84**	**204.72**

Note 11: Equity share capital and other equity

11(a) Equity share capital

Authorised equity share capital

Particulars	Number of shares	(₹ in crores)
As at 1 April, 2016	50,00,000	1.00
Increase on account of merger (Refer Note No. 28(i))	16,52,50,000	33.05
As at 31 March, 2017	17,02,50,000	34.05
Addition during the year	-	-
As at 31 March, 2018	17,02,50,000	34.05

(i) Issued and subscribed share capital

(₹ in crores)

Particulars	Number of shares	Face Value	Equity share capital (par value)
As at 1 April 2016	2,50,000	2.00	0.05
Cancelled on account of merger (Refer Note No. 28(i))	(2,50,000)	2.00	(0.05)
As at 31 March 2017	-	-	
Issued during the year	16,13,94,272	2.00	32.28
As at 31 March 2018	16,13,94,272	-	32.28

(ii) Shares of the company held by holding/ultimate holding company

Particulars	As at 31 March 2018	As at 31 March 2017
Bhadra Raj Holdings Pvt. Ltd.	9,90,96,083	-

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	*% holding*	*Number of shares*	*% holding*
Bhadra Raj Holdings Pvt. Ltd.	9,90,96,083	61.40	-	-

(iv) The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. All shares rank equally with regard to the Company's residual assets.

(vi) The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ("DPCL") and Dishman Care Ltd. ("DCL") with Carbogen Amcis (India) Ltd.) ("CAIL") in terms of the provisions of Section 391 to 394 of the Companies Act, 1956 ("Scheme"). On March 27, 2017, the name of CAIL has been changed to DCAL. Upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL cancelled during FY 2016-17. During FY 2017-18, the Company has issued equity shares of DCAL to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and subsequently the shares have been listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

11(b) Other Equity (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Shares suspense account	-	4,810.00
(b) Securities Premium Reserve	4,777.72	-
(c) Surplus/(Deficit) in Statement of Profit and Loss	202.24	47.66
(d) Other Comprehensive Income	95.10	(43.69)
Total reserves and surplus	**5,075.07**	**4,813.97**

Movement in Reserves

(i) Retained earnings (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	47.66	(76.21)
Add: Net profit for the year	154.57	160.68
Less : Interim Dividend paid by DPCL (Refer Note No. 28(i))	-	(19.37)
Less : Expenses debited for increase in authorised share capital	-	(1.30)
Less : Issue of bonus shares by DPCL (Refer Note No. 28(ii))	-	(16.14)
Closing balance	**202.24**	**47.66**

Retained earnings represents surplus/ accumulated earnings of the Corporation and are available for distribution to shareholders.

(ii) Shares Suspense account

The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ('DPCL') and Dishman Care Ltd. ('DCL') with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956. The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 Sanctioned the Scheme. The Company is in process of fixing Record Date for allotment of equity shares of the Company to the shareholders of DPCL in the ratio of 1:1 i.e, Share Exchange Ratio, fixed under the Scheme and therefore till such time the shares being issued to the shareholders the said amount including premium is shown as Shares suspense account.

(iii) Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income, under and irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

(iv) Cash flow hedge reserve

The Company has designated its hedging instruments as cash flow hedges and any gain / loss on cash flow hedge is mantained in the said reserve. At the time of settlement of instrument, the gain / loss is recognised in the Statement of Profit and Loss.

Note 12: Financial liabilities

12 (a) (i) Non-current borrowings

(₹ in crores)

Particulars	**Note**	**As at 31 March 2018**	**As at 31 March 2017**
Secured			
Term loans			
From banks	(a)	351.37	214.57
Long-term maturities of Hire purchase obligations	(b)	0.38	0.64
Obligations under finance leases	(b)	34.41	26.25
Unsecured			
Term Loan			
From banks		138.81	204.44
From other parties		-	14.22
Total non-current borrowings		**524.98**	**460.12**

Note:

(a) Term loans (₹ in crores)

Name of the bank	**Terms of repayment and security**	**As at 31 March 2018**	**As at 31 March 2017**
Bank of Baroda	The Corporate Loan is secured by first Pari-passu charge on the Company's immovable and movable fixed assets at Bavla unit and second charge on SEZ land of M/s Dishman Infrastructure Ltd and Corporate Guarantee of M/s Dishman Infrastructure Ltd, repayable in 24 quarterly installment starting from June 2015 in ballooning fashion and ending on 31 March 2021.	38.23	47.54
Bank of Baroda *	The term loan is secured by first pari-passu charge in Company's fixed assets at Bavla unit alongwith existing term lenders and second pari-passu charge on current assets of the Company with existing term lenders, repayable in 20 quarterly installments starting from February, 2019 and ending November, 2023.	11.94	-
State bank of India	The term loan is secured by first pari-passu charge on the Company's fixed assets including mortgage over land & Buildings and Hypothecation of plant & machinery at Bavla unit alongwith existing term lenders and second pari-passu charge on the entire current assets including stocks of RM, WIP and FG and receivables of the company ranking pari passu with other term lenders, repayable in 36 monthly installment starting from June 2017 and ending on May 2020.	45.53	64.97

Name of the bank	Terms of repayment and security	As at 31 March 2018	As at 31 March 2017
HDFC Bank Ltd.	The Term Loan is secured by Charge on Dishman Corporate House property, Ambli Road, Opp. Annapurna Farm House, Satelite Area, Ahmedabad. Repayble in 17 equal quarterly installments starting from Apr 2018 ending on March 2022.	45.12	31.47
Qatar National Bank	The term loan is secured by first pari-passu charge in Company's fixed assets at Bavla unit alongwith existing term lenders and second pari-passu charge on current assets of the Company with existing term lenders, repayable in 20 quarterly installment starting from October, 2017 and ending July, 2022.	137.95	-
Credit Suisse AG	Loan is secured by Building No 167, Repayment 0.02 Mn CHF p.a. and repayable in 2019.	4.07	3.85
Credit Suisse AG	Loan is secured by Building No 145, Repayment 0.15 Mn CHF p.a. and repayable in 2019.	19.48	18.42
Credit Suisse AG	Loan is secured by Inventory, Debtors of Carbogen Amcis AG, repayment in Annual installment and repayable in 2019.	24.88	25.87
ABN AMRO Bank N.V.	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Proper ty, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV.The Term loan is repayable in equal monthly installments of EURO 0.02 million and ending on February, 2029.	24.17	14.30
ABN AMRO Bank N.V.	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Proper ty, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV. The Term loan is repayable in equal quarterly installments of EURO 0.25 million and repayable in 2018.	-	8.15
Total non-current secured borrowings		**351.37**	**214.57**
Bank of Baroda	The Term loan is unsecured and repayable in equal quarterly installments of USD 1.25 million and ending on September, 2021.	81.46	113.49
ICICI Bank Limited	The Term loan is unsecured and repayable in equal quarterly installments of USD 1.28 million and ending on October, 2020	57.35	90.95
Total non-current unsecured borrowings		**138.81**	**204.44**

* Creation of security is pending.

(b) Long-term maturities of Hire purchase obligations (₹ in crores)

Name of the bank	Terms of repayment and security	As at 31 March 2018	As at 31 March 2017
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	0.05	0.12
HDFC Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	-	0.01
Corporation Bank	Hire Purchase Finances are secured by hypothecation of respective assets	0.33	0.51
Credit Suisse AG	Finance Lease secured by hypothecation of respective assets	31.49	25.27
Lombard	Finance Lease secured by hypothecation of respective assets	2.93	0.98
Total of Long-term maturities of Hire purchase obligations		**34.79**	**26.89**

Note :

(a) The interest from banks range from LIBOR+ 1.00% (in foreign curreny Term loans) To MCLR+2.00 % (in rupee currency loans).

(b) For current maturities of long term borrowings, refer Note -12 (c).

12 (a) (ii) Current borrowings (₹ in crores)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Secured			
Loans repayable on demand			
From banks	(a)	377.25	338.30
Finance lease obligations	(b)	-	0.47
Unsecured			
Loan from banks- Foreign Currency	(a)	16.06	46.18
Total Current borrowings		**393.31**	**384.95**

Note:

(a) Details of current borrowings (₹ in crores)

Name of the bank	Security	As at 31 March 2018	As at 31 March 2017
Corporation Bank Bank of Baroda State Bank Of India Doha Bank DBS Bank IDFC Bank *	Hypothecation of Inventories, collateral security of book debts, 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 unit and second charge on fixed asset at Bavla.	26.46 70.23 61.43 42.69 - 25.00	24.88 33.13 37.98 40.91 44.15
Societe Generale bank	First Charge on Company's fixed asset at Naroda EOU plant situated at Plot No. 1216/24 to 1216/27 and 1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad.	15.10	29.08
ABN AMRO Bank	Mortgage of all land and buildings and investment properties, pleadge on all inventories, pledge on trade receivables, pledge on plant and equipments of Dishman Netherland BV.	41.06	6.97
Bank of Baroda - New York	Loan is secured by first charge on entire current assets , existing and future inclusing stock, finished goods, products, account receivables, cash and bank balances and equipment and furniture of Dishman USA Inc.	6.19	9.24
ICBC Bank, China	Hypothecation of Inventories, Collateral security of book debts, first charge on Company's fixed asset at CARBOGEN AMCIS (Shanghai) Co. Ltd.	20.73	18.80
Nat West Bank	Factoring Facility - Loan is secured by Receivables.	-	16.21
Credit Suisse AG	Hypothecation of Inventories, collateral security of book debts, Negative Pledge of fixed assets of CARBOGEN AMCIS AG	68.36	76.94
Deutsche Bank	Unsecured	16.06	46.18
Total Current borrowings		**393.31**	**384.48**

* Creation of security is pending.

(b) Hire purchase Obligation: (₹ in crores)

Name of the bank	Terms of repayment and security	As at 31 March 2018	As at 31 March 2017
Lombard	Lease secured by hypothecation of respective assets	-	0.47
		-	**0.47**

(c) Details of short-term borrowings guaranteed by a director:

One of the directors has given guarantee against certain secured working capital loans to the extent of market value of his specified office premise. Most of these lenders have given their consents for release of this guarantees.

12 (b) Trade payables

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Current		
Trade payables (Refer Note No. 26)	185.83	84.43
Trade payables to related parties (Refer Note No. 31)	0.09	1.21
Total trade payables	**185.92**	**85.64**

Note:

1. All trade payables are current
2. The Company's exposure to currency and liquidity risks related to trade payable is disclosed in Note 36.

12 (c) Other financial liabilities

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Current		
(i) Current maturities of long-term debt	158.50	94.06
(ii) Current maturities of finance-lease obligations	18.04	10.58
(iii) Interest accrued but not due on borrowings	1.33	0.23
(iv) Unpaid dividends	0.13	0.08
(v) Payable towards hedge instruments	22.00	-
(vi) Others	87.04	61.14
Total other current financial liabilities	**287.05**	**166.09**

Note 13: Provisions

(₹ in crores)

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Unsecured, considered good						
(a) Provision for Employee Benefits:						
(i) Compensated absences (Refer Note No. 34)	0.53	2.54	3.07	0.20	1.02	1.22
(ii) Gratuity (net) (Refer Note No. 34)	1.30	6.73	8.03	1.06	5.57	6.63
(iii) Pension (Refer Note No. 34)	-	196.62	196.62	-	177.62	177.62
(b) Other Provisions:						
(i) Asset Retirement Obligation	5.85	28.46	34.30	-	29.64	29.64
(ii) Provision for onerous Contract	11.91	-	11.91	17.73	-	17.73
(iii) Environmental Provision	2.42	-	2.42	-	7.55	7.55
Total Provisions	**22.01**	**234.34**	**256.35**	**19.00**	**221.40**	**240.40**

Information about provisions

(a) Asset Retirement Obligation

A provision has been recognised for decommissioning costs obligation as per lease agreement for factory located at Switzerland. The provision has been made to include the present value of expected future decommissioning cost of the site in total.

(b) Provision for onerous Contract

In Switzerland, a provision has been recognised where cost to fulfil the terms of project contracts are higher then financials and economics benefits to be received. The provision is measured at best estimate of expenditure required to settle the present obligation.

(c) Environmental Provision

In accordance with Netherland law, land contamination done to the manufacturing activities by the Group's subsidiary in Netherland must be restored to its original condition when it was bought. Because of the long term nature of the liability, the biggest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are available currently. The provision has been calculated using a discount rate of 1% which is the risk free rate in Netherland. The rehabilitation is expected to occur progressively over the next 5 years.

(ii) Movements in provisions

Movements in each class of provision during 2017-18, are set out below: (₹ in crores)

Particulars	Asset Retirement Obligation	Onerous Contract	Environmental Provision	Total
As at 1st April, 2017	29.65	17.74	7.55	54.94
Charged/(credited) to profit or loss				
Additional provisions recognised	-	9.48	-	9.48
Unused amounts reversed	-	(17.34)	-	(17.34)
Unwinding of discount	1.73	-	-	1.73
Amounts used during the year	-	-	(6.36)	(6.36)
Translation Adjustments	2.92	2.03	1.22	6.17
As at 31st March, 2018	**34.30**	**11.91**	**2.41**	**48.62**

Note 14: Other Non-Current Liabilities (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Other payables	-	4.86
Total other non-current liabilities	**-**	**4.86**

Note 15: Other current liabilities (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Statutory dues payables	3.67	19.41
(ii) Advances from customers	190.54	145.82
(iii) EMD and Retention money	2.07	12.02
(iv) Other payables	32.55	113.85
Total other current liabilities	**228.83**	**291.10**

Note 16 : Revenue from Operations

The entity derives the following types of revenue: (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Sale of products (including excise duty) (Refer Note (i))	1,061.14	933.52
(b) Sale of services (Refer Note (ii))	591.56	700.34
(c) Other operating revenue (Refer Note (iii))	42.08	79.83
Total revenue from continuing operations	**1,694.78**	**1,713.69**

Note:

(i) Sale of products comprises :

Sale of manufactured goods	1,049.93	920.16
Sale of traded goods	11.21	13.36
Total - Sale of products	**1,061.14**	**933.52**

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(ii) Sale of services comprises :		
Export Services	591.56	699.99
Sales commission	-	0.35
Total - Sale of services	**591.56**	**700.34**
(iii) Other operating revenues comprise:		
Sale of scrap	0.01	0.32
Duty Drawback income	12.53	15.43
Forex Gain on forward contracts against sales	18.50	56.69
Sales of Raw Material	9.00	7.37
Others	2.04	0.02
Total - Other operating revenues	**42.08**	**79.83**

Note 17: Other income

(₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Interest income (refer Note (i))	8.32	12.52
Net gain on foreign currency transactions and translation	-	3.19
Guarantee Commission Received	0.98	1.33
Dividend income from Long term Investments	5.88	-
Rental income	-	0.25
Net gain on disposal of property, plant and equipment	1.94	2.66
Income from Travel Business	0.37	0.50
Others	28.20	5.68
Total other income	**45.69**	**26.13**
Note (i) : Interest income comprises:		
Interest on loans and advances given to related parties	5.07	4.55
Interest on loans and advances given to others	1.48	0.03
Other interest	1.77	7.94
Total - Interest income	**8.32**	**12.52**

Note 18 : Cost of materials Consumed

(₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Raw materials at the beginning of the year	90.78	147.41
Add: Purchases	381.79	259.81
	472.57	**407.22**
Less: Raw material at the end of the year	(81.60)	(90.78)
Total cost of materials consumed	**390.98**	**316.44**

Note 19 : Changes in inventories of work-in-progress, stock-in-trade and finished goods (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Inventories at the begining of the year		
Work-in progress	193.64	209.24
Finished goods	136.58	120.70
Total opening balance	**330.22**	**329.94**
Inventories at the end of the year		
Work-in progress	272.05	193.64
Finished goods	123.43	136.58
Total closing balance	**395.48**	**330.22**
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	**(65.26)**	**(0.28)**

Note 20: Employee benefit expense (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Salaries and wages	556.90	528.14
Contributions to provident and other funds	39.56	38.73
Staff welfare expenses	28.94	29.15
Total employee benefit expense	**625.40**	**596.02**

Note 21: Finance costs (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Interest on debts and borrowings	42.56	38.46
Other borrowing cost	6.27	8.94
Asset retirement obligation expenses	-	1.61
Total Finance costs	**48.83**	**49.01**

Note 22: Depreciation and amortisation expense (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Depreciation of property, plant and equipment	118.54	121.10
Amortisation of intangible assets and Goodwill	92.88	92.40
Total depreciation and amortisation expense	**211.42**	213.50

Note 23: Other expenses

(₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Consumption of stores and spare parts	0.35	0.69
Other Manufacturing Expenses	14.77	7.58
Power and fuel	48.33	49.47
Laboratory Expenses	2.40	2.34
ETP Expenses	3.18	5.23
Rent including lease rentals	51.09	43.51
Repairs and maintenance - Buildings	12.29	17.27
Repairs and maintenance - Machinery	38.34	49.14
Repairs and maintenance - Others	12.36	15.77
Insurance	10.97	9.11
Telephone and Communication	7.57	6.14
Travelling and conveyance	8.76	8.28
Printing and stationery	1.18	3.50
Freight and forwarding	17.29	6.13
Sales commission	1.15	2.67
Sales promotion	0.12	10.06
Donations and contributions	1.73	3.41
Legal and professional	30.69	45.84
Bad trade and other receivables, loans and advances written off	0.28	0.33
Membership & Subcribtion	1.89	1.09
ECGC Premium	-	0.20
Office Electricity	0.34	0.27
Loss on fixed assets sold / scrapped / written off	0.45	0.38
Provision for doubtful trade and other receivables, loans and advances (net)	(7.33)	0.45
Management fees	-	3.59
Foreign exchange loss	16.76	2.54
Impairment of non current assets	-	6.17
Miscellaneous expenses	12.17	33.86
Total other expenses	**287.11**	**335.02**

Note 24: Income tax expense

(₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	48.72	55.40
Adjustments for current tax of prior periods	-	-
Total current tax expense	**48.72**	**55.40**
Deferred tax		
Increase in deferred tax liabilities	29.37	22.76
MAT credit	(1.87)	(7.51)
Total deferred tax expense/(benefit)	**27.50**	**15.25**
Income tax expense	**76.22**	**70.65**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Profit before income tax expense	**230.78**	**216.07**
Enacted income tax rate in India applicable to the Company 34.608%	**79.87**	**74.78**
Tax effect of:		
Permanent Disallowances	(3.02)	0.06
Tax effect of Remeasurement of the defined benefit plans	0.00	0.20
Foreign tax credit	7.52	1.87
Exempt Income	0.00	(3.42)
Profit/(Loss) of share in Associate	0.00	0.31
Deferred tax assets not created on unabsorbed losses	0.00	2.35
Difference due to differential Tax rates	(9.04)	(6.49)
Foreign tax credit reversal of previous year	(1.87)	0.00
Adjustment prior year tax	6.24	0.00
Others	(3.47)	1.00
Income tax expense	**76.23**	**70.65**
Weighted average tax rate for the year	**33.03%**	**32.70%**

(c) Amounts recognised in Other Comprehensive Income

Particulars	2017-18			2016-17		
	Before tax	**Tax exp. (benefit)**	**Net of tax**	**Before tax**	**Tax exp. (benefit)**	**Net of tax**
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	0.25	(0.09)	0.16	(0.57)	0.20	(0.37)
Equity instruments through Other Comprehensive income- net change in fair value	5.83	(2.04)	3.80	(0.84)	1.34	0.50
Items that will be reclassified to profit or loss						
Foreign exchange fluctuation in respect of cash flow hedge	(33.05)	-	(33.05)	-	-	-

(d) Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity and not in Statement of Profit or Loss or Other Comprehensive Income.

(e) No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Company is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Group's retained earnings.

Note 25: Earnings per share (₹ in crores)

Particulars		For the year ended 31st March, 2018	For the year ended 31 March, 2017
(a)	**Basic earnings per share**		
	From continuing operations attributable to the equity holders of the Company	9.58	9.01
(b)	**Diluted earnings per share**		
	From continuing operations attributable to the equity holders of the Company	9.58	9.01
(c)	**Reconciliations of earnings used in calculating earnings per share**		
	Basic earnings per share		
	Profit attributable to the equity holders of the Company used in calculating basic earnings per share:		
	From continuing operations	154.57	145.42
	Diluted earnings per share		
	Profit from continuing operations attributable to the equity holders of the Company:		
	Used in calculating basic earnings per share	154.57	145.42
	Adjustments	-	-
	Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	**154.57**	**145.42**
(d)	**Weighted average number of shares used as the denominator**		
	Particulars	**31 March 2018 Number of shares**	**31 March 2017 Number of shares**
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	16,13,94,272	16,13,94,272
	Adjustments for calculation of diluted earnings per share:	-	-
	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	**16,13,94,272**	**16,13,94,272**

As at the year ended 31st March, 2017, upon the Scheme becoming effective, the Share Capital of DCAL held by its holding company DPCL stand cancelled. Accordingly, EPS for the year ended 31st March, 2017 has been calculated based on outstanding shares of DPCL.

As per IndAS – 33 "Earnings per share", EPS is to be calculated on the basis of Net Profit after tax and amounts under Other Comprehensive Income (Net of tax) are not to be considered.

Note 26: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 : (₹ in crores)

Particulars		2017-18	2016-17
a)	Principal amount due to suppliers under MSMED Act, 2006	2.88	3.22
b)	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.24	0.21
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	7.75	10.33
d)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	0.45	0.21
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.24	0.21

Note: The above information is given to the extent available with the Company and relied upon by the auditor.

Note 27: Contingent liabilities and contingent assets (₹ in crores)

	Particulars	As at 31 March 2018	As at 31 March 2017
a)	Labour Law claims against the Company not acknowledged as debt	0.11	0.11
b)	Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	57.92	53.67
c)	Disputed central excise duty (including service tax) liability	3.48	4.07
d)	Disputed income tax liability for various assessment years for which appeals are pending with Appellate authorities, out of the said amount, the Company has paid ₹ 42.88 crores under protest.	175.25	159.54
e)	Disputed sales tax and central sales tax liability	4.34	4.34

Note 28 (i) : Merger of Dishman Pharmaceuticals and Chemicals Ltd with the Company

The Board at their meeting held on 24th February, 2016 had approved the Scheme of Arrangement and Amalgamation involving merger of Dishman Pharmaceuticals and Chemicals Ltd. ('DPCL") and Dishman Care Ltd. ('DCL') with the Company in terms of the provisions of Section 391 to 394 of the Companies Act 1956 ("Scheme"). The Scheme inter alia provides for the following: a) Transfer and vesting of the Effluent Treatment Plants (ETP) Undertaking of DPCL into Company, a wholly owned subsidiary of DPCL, by way of slump sale; b) Followed by, amalgamation of DCL, a wholly owned subsidiary of DPCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961; c) Followed by, amalgamation of DPCL into and with Company in accordance with Section 2(1B) of the Income Tax Act, 1961. d) Upon Scheme becoming effective, the name of the Company have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" (DCAL).

The appointed date for the Scheme was 1st January, 2015. The Hon'ble High Court of Gujarat, vide its order dated 16th December, 2016 sanctioned the Scheme and certified copy of the said order alongwith the scheme has been received by the Company on 2nd March, 2017. The Scheme has become effective upon filing of certified copy of said order of Hon'ble High Court with the Office of Registrar of Companies, Gujarat MCA on 17th March, 2017 ("Effective Date") and accordingly has been given effect in the books of accounts in financial year 2016-17. DPCL as a going concern, stands amalgamated with effect from the Appointed Date i.e. 1st January, 2015 and subsequently, the name of Company has been changed to Dishman Carbogen Amcis Ltd. w.e.f. 27th March, 2017 vide fresh certificate of change of name issued by the Office of Registrar of Companies, Gujarat. During FY 2017-18, the Company has issued its equity shares to the shareholders of DPCL in the ratio of 1:1 i.e. Share Exchange Ratio, fixed under the Scheme and subsequently the shares have been listed on NSE and BSE after necessary approvals from SEBI and the stock exchanges.

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'bte High Court, Gujarat, which is different from Ind AS'103 "Business Combinations". Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of ₹ 4810.00 crores payable by way of issue of shares of the Company has been disclosed as Share Suspense Account under Other Equity. The excess of consideration payable over net assets acquired has been recorded as goodwill amounting ₹ 1326.86 crores, represented by underlying intangible assets acquired on amalgamation and is being amortized over the period of 15 years from the Appointed Date. Had Goodwill not been amortized as required under Ind AS 103, the Depreciation and Amortization expense for the year ended March 31, 2018 would have been lower by ₹ 88.46 Crore (March 31, 2017 : ₹ 88.46 crores) and Profit before tax for the year ended March 31, 2018 and March 31, 2017 would have been higher by an equivalent amount.

Assets and liabilities taken over by the Company at fair value on appointed date from DPCL	**(₹ in crores)**
Property, plant and equipment	806.63
Capital work-in-progress	40.95
Other intangible assets	0.70
Investments	2,709.91
Loans and Advances	486.57
Inventories	172.64
Trade receivables	50.87
Cash and cash equivalents	34.59
Amalgamation adjustment account	24.38
	4,327.24

	(₹ in crores)
Debenture redemption reserve	(24.38)
Borrowings	(500.30)
Trade Payables	(73.19)
Deferred tax liabilities (Net)	(62.84)
Provisions	(6.25)
Other liabilities	(177.14)
Net assets taken over by the Company	**3,483.14**
Consideration to be discharged by the Company	4,810.00
161,394,272 Shares of the Company of '2/- each at a premium of ₹ 296.02 per share.	
Goodwill- excess of consideration over net assets taken over by the Company.	**1,326.86**

The Goodwill is attributable mainly to the Developed technology, Customer relationship, skills and technical talents, and synergies expected to be achieved out of consolidation of business in the form of wider portfolio of products and services with diversified resourses and deeper customer relationships. Accordingly Goodwill is amortised over its estimated useful life of 15 years.

The above assets and liabilities have been incorporated in the accounts of the Company as they stand as on April 1, 2016 after making adjustments for IndAS as required in line with the accounting policies, options and exemptions opted by the Company on transition to IndAS.

For the purpose of Ind AS adjustments and exemptions, the assets and liabilities of erstwhile DPCL as on 1.4.2015 after giving impact of merger have been considered as the previous GAAP carrying amounts.

Note 28 (ii) : Issue of bonus shares

On 5th May, 2016, erstwhile Dishman Pharmaceuticals and Chemicals Ltd., have allotted 8,06,97,136 equity shares of ₹ 2/- each, as fully paid-up bonus shares in the ratio of 1 (one) equity share for every 1 (one) equity share held to those shareholders whose names appeared in the Register of Members / List of Beneficial owners as on the Record Date i.e. on May 3, 2016.

Note 28 (iii) : Interim dividend

On 13th February, 2017, Board of Directors of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) have declared an Interim dividend of ₹ 1.20 (i.e. @ of 60%) per equity share on 16,13,94,272 equity shares of ₹ 2.00 each for the financial year 2016-2017 and DPCL had fixed 21st February, 2017 as the Record Date for the purpose of Payment of Interim Dividend for the financial year 2016-17.

Note 28 (iv) : Payment towards Corporate Social Responsibilty (CSR)

As per provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, of erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), had to spend at least 2% of its average net profits for the last three years, on CSR activities each year pursuant to Corporate Social Responsibility Policy. During the FY 2016-17, the DPCL has spent total ₹ 1.82 crores towards CSR activity as against the amount of ₹ 1.81 crores required to be spent towards CSR activity as per Section 135 of the Companies Act, 2013.

Note 28 (v) : Managerial Remuneration

Erstwhile Dishman Pharmaceuticals and Chemicals Ltd. (DPCL) has three whole time Directors on its Board, who are eligible to draw remuneration as under as per the Board and Shareholder's approval:1. Shri J. R. Vyas, Chairman & Managing Director – 5% of the Net Profit as approved by the Members.2. Mr. Arpit J. Vyas, Managing Director & CFO – ₹ 1.80 crores per annum. 3. Mrs. D. J. Vyas, Whole-time Director – ₹ 1.80 crore per annum. The Remuneration to whole-time Directors paid by the DPCL falls under Section I of Part II of Schedule V to the Companies Act, 2013 (i.e. remuneration payable by the company having profits) and which is permissible as well as the same is in accordance with the provisions of Schedule V. Accordingly, DPCL has paid total Managerial Remuneration of ₹ 8.14 crores during the year 2016-17.

All the amounts stated at point 28 (ii) to (v) above which have declared/paid/incurred by erstwhile DPCL have been incorporated in the books of the account of the Company post merger and disclosed under relevant heads.

Note 29: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment	40.75	40.81
Intangible assets	1.78	5.11

(b) Non-cancellable operating leases

The total of minimum lease installments payable for assets taken on operating lease: (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) As Lessee		
Future minimum lease payments	-	-
Within one year	41.85	40.51
Later than one year but not later than five years	163.71	147.40
Later than five years	94.23	120.90
	299.78	**308.83**

Rental expense relating to operating leases (₹ in crores)

Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
Total rental expense relating to operating leases	51.09	43.51

Finance lease in respect of lease hold land.

The Company has entered into finance lease for land. These leases are generally for a period of 99 years. These leases can be extended for further 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases.

(c) Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire installments payable for vehicle acquired at the Balance sheet date are as under (₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:		
Within one year	0.26	0.27
Later than one year but not later than five years	0.38	0.64
Later than five years	-	-
	0.64	**0.91**

Note 30: Interests in other entities

(a) Subsidiaries

The group's subsidiaries at 31st March, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/ Country of Incorporation	Ownership Interest Held by the Group 31 March 2018	Ownership Interest held by Non-Controlling Interests 31 March 2018
Subsidiaries		%	%
Dishman Europe Ltd.	UK	100%	0%
Dishman USA. Inc.	USA	100%	0%
Dishman Middle East FZE	UAE	100%	0%
Dishman International Trading (Shanghai) Co. Ltd.	China	100%	0%
Shanghai Yiqian International Trade Co. Ltd. **	China	100%	0%
CARBOGEN AMCIS Holding AG (formerly known as Dishman Pharma Solutions AG)	Switzerland	100%	0%
CARBOGEN AMCIS (Shanghai) Co. Ltd. ^	China	100%	0%
Dishman Switzerland Ltd.	Switzerland	100%	0%
Dishman Netherlands B.V $	Holland	100%	0%
CARBOGEN AMCIS Ltd. ^	UK	100%	0%
CARBOGEN AMCIS AG ^	Switzerland	100%	0%
CARBOGEN AMCIS SAS &	France	100%	0%
Dishman Australasia Pty Ltd.	Australia	100%	0%
Innovative Ozone Services Inc. ***	Switzerland	100%	0%
Dishman Japan Ltd.	Japan	100%	0%
Dishman Carbogen Amcis (Singapore) Pte Ltd.	Singapore	100%	0%

$ Through Dishman Europe Ltd.
^ Through CARBOGEN AMCIS Holding AG
** Through Dishman International Trading (Shanghai) Co. Ltd.
*** Through Dishman Europe Ltd. and Dishman Switzerland Ltd.
& Through CARBOGEN AMCIS AG

Note 31: Related Party disclosures as per Ind AS 24 Related party disclosures

a) Details of related parties:

Description of relationship	Name of the related party
Holding Company	Bhadra Raj Holding Pvt. Ltd.(from 31-03-2017)*
Associates	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (associate upto 27-03-2017)*
Key Management Personnel (KMP)	Mr. Janmejay R.Vyas
Key Management Personnel (KMP)	Mrs. Deohooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Key Management Personnel (KMP) - Non Executive Director	Mr. Mark C. Griffiths
Key Management Personnel (KMP) - Non Executive Director	Mr. Sanjay S. Majmudar
Key Management Personnel (KMP) - Non Executive Director	Mr. Ashok C. Gandhi
Key Management Personnel (KMP) - Non Executive Director	Mr. Subir Kumar Das

Description of relationship	Name of the related party
Key Management Personnel (KMP) - Non Executive Director	Mr. Rajendra S. Shah
Relative of Key Management Personnel	Ms. Aditi J Vyas
Relative of Key Management Personnel	Ms. Mansi J Vyas
Entity in which KMP are the members	Mr. J. R. Vyas HUF
Entity in which KMP can exercise significant influence	Dishman Biotech Ltd. (formerly known as Schutz Dishman Biotech Ltd.) (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Bhadra Raj Holding Pvt. Ltd. (from 27-03-2017)*
Entity in which KMP can exercise significant influence	Azafran Innovacion Ltd.*
Entity in which KMP can exercise significant influence	Dishman Infrastructure Ltd.*
Entity in which Relatives of KMP can exercise significant influence	Discus IT Pvt. Ltd.*
Entity in which Relatives of KMP can exercise significant influence	Discus Business Services LLP *

* Only where transactions have taken place during the year.

b) Details of related party transactions for the year ended on 31st March, 2018 and balances outstanding as at 31st March, 2018:

(₹ in crores)

Particulars	Associates / Joint Ventures	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Total
Purchase of goods	-	-	-	-	-
	(-)	(-)	(-)	(0.02)	(0.02)
Sale of goods / services	-	-	-	1.23	1.23
	(1.04)	(-)	(-)	(0.01)	(1.05)
Sale of fixed assets	-	-	-	-	-
	(-)	(-)	(-)	(0.12)	(0.12)
Receiving of services	-	0.02	0.08	2.52	2.61
	(-)	(-)	(-)	(1.18)	(1.18)
Sale of long term investments	-	-	-	-	-
	(-)	(2.62)	(0.03)	(-)	(2.65)
Interest income	-	-	-	4.55	4.55
	(-)	(-)	(-)	(4.55)	(4.55)
Repayment of loans & advances received	-	-	-	-	
	(-)	(2.10)	(-)	(-)	(2.10)
Remuneration	-	7.12	1.20	-	8.31
	(-)	(9.87)	(1.16)	(-)	(11.03)
Sitting fees to Non Executive Directors	-	0.08	-	-	0.08
	(-)	(0.10)	(-)	(-)	(0.10)
Commisson to Non Executive Directos	-	0.41	-	-	0.41
	(-)	(0.37)	(-)	(-)	(0.37)
Trade advance given	-	0.00	-	43.13	43.13
	(16.88)	(-)	(-)	(-)	(16.88)
Loans and advances given	-	15.24	-	-	15.24
	(-)	(-)	(-)	(-)	(-)
Loans and advances repaid	-	15.20	-	-	15.20
	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	-	-	-
	(0.14)	(11.71)	(0.03)	(-)	(11.89)

(₹ in crores)

Particulars	Associates / Joint Ventures	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Total
Balances outstanding at the end of the year					
Trade receivables-	-	-	2.58	2.58	
	(-)	(-)	(-)	(1.23)	(1.23)
Trade advances given	-	-	-	60.01	60.01
	(-)	(-)	(-)	(16.88)	(16.88)
Guarantees given by Dishman Infrastructure Ltd. on behalf of the Company	-	-	-	38.45	38.45
	(-)	(-)	(-)	(54.49)	(54.49)
Loans and advances given	-	0.04	-	94.76	94.80
	(-)	(-)	(-)	(84.23)	(84.23)
Trade payables	-	0.02	0.07	0.00	0.09
	(-)	(0.08)	(-)	(-)	(0.08)

Note: Figures in bracket relates to balance outstanding as on 31st March 2017.

c) Disclosure in respect of material transactions with related parties (₹ in crores)

Particulars	Name of the related party	F.Y. 2017-18	F.Y. 2016-17
Purchase of goods	Azafran Innovacion Ltd.	-	0.02
Sale of goods	Dishman Biotech Ltd.	1.19	1.04
Receiving of services	Discus IT Pvt. Ltd.	2.05	1.04
Sales of long term investment	Mr. Janmejay R.Vyas	-	2.58
	Mrs. Deohooti J.Vyas	-	0.03
	Mr. Arpit J.Vyas	-	0.01
Interest income	Dishman Infrastructure Ltd.	4.55	4.55
	Mrs. Deohooti J.Vyas	-	2.10
	Mr. Janmejay R.Vyas	-	6.07
	Mrs. Deohooti J.Vyas	-	2.63
	Mr. Arpit J.Vyas	-	3.02
Remuneration to directors from Holding Company and subsidiary	Mr. Janmejay R.Vyas	3.60	5.30
	Mrs. Deohooti J.Vyas	1.25	1.80
	Mr. Arpit J.Vyas	2.27	2.77
Sitting fees to Non Executive Directors	Mr. Sanjay S. Majmudar	0.03	0.03
	Mr. Ashok C. Gandhi	0.03	0.03
	Mr. Subir Kumar Das	0.02	0.02
	Mr. Rajendra S. Shah	0.01	0.01
Commission to Non Executive Directors	Mr. Sanjay S. Majmudar	0.13	0.12
	Mr. Ashok C. Gandhi	0.10	0.10
	Mr. Subir Kumar Das	0.10	0.09
	Mr. Rajendra S. Shah	0.08	0.07
Loans and advances given	Mr. Arpit J.Vyas	15.24	-
Loans and advances repaid	Mr. Arpit J.Vyas	15.20	-
Outstanding balances trade advances given	Dishman Biotech Ltd.	60.01	16.88
Outstanding balances of loans and advances	Dishman Infrastructure Ltd.	94.76	84.23

Note 32: Capital Management

For the purpose of the group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to safeguard the group's ability to remain as a going concern and maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders or return capital to shareholders.

The group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The group's adjusted net debt to equity ratio at 31st March, 2018 was as follows. (₹ in crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Borrowings		
Long term and Short term borrowings	918.29	845.08
Current maturities of Long term borrowings	176.54	104.64
Less: cash and cash equivalents	69.06	87.39
Adjusted net debt	**1,025.76**	**862.32**
Total Equity	5,107.34	4,813.98
Adjusted net equity	**5,107.34**	**4,813.98**
Adjusted net debt to adjusted equity ratio	**0.20**	**0.18**

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the group during the current year. The company has current and non-current investments in marketable instruments of ₹ 150.33 crores as on March 31, 2018.

Note 33: Employee benefits in respect of Holding Company

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occures upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(₹ in crores)

	Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
		Gratuity (Non-funded)	**Gratuity (Non-funded)**
A :	**Defined benefit plans -**		
I	**Expenses recognised in statement of profit and loss during the year:**		
1	Current Service Cost	0.70	0.65
2	Past Service Cost	0.97	-
2	Interest cost	0.44	0.42
	Total Expenses	**2.10**	**1.06**

(₹ in crores)

	Particulars	For the year ended 31st March, 2018	For the year ended 31 March, 2017
		Gratuity (Non-funded)	**Gratuity (Non-funded)**
II	**Expenses recognised in OCI**		
	1 Actuarial changes arising from changes in demographic assumptions	-	-
	2 Actuarial changes arising from changes in financial assumptions	(0.24)	0.26
	3 Actuarial changes arising from changes in experience adjustments	(0.01)	0.31
	Total Expenses	**(0.25)**	**0.57**
III	**Net Asset /(Liability) recognised as at balance sheet date:**		
	1 Present value of defined benefit obligation	(8.03)	(6.63)
	2 Net Asset /(Liability) - Current	(1.30)	(1.06)
	3 Net Asset /(Liability) - Non- Current	(6.73)	(5.57)
IV	**Reconciliation of Net (Asset) / Liability recognised as at balance sheet date:**		
	1 Defined benefit obligation at the beginning of the year	6.63	-
	2 Acquired on merger of Dishman Pharmaceuticals and Chemicals Ltd	5.89	-
	3 Current Service Cost	0.70	0.65
	4 Past Service Cost	0.97	-
	5 Interest cost	0.44	0.42
	6 Actuarial loss/(gain) due to change in financial assumptions	(0.24)	0.26
	7 Actuarial loss/(gain) due to change in demographic assumption	-	-
	8 Actuarial loss/ (gain) due to experience adjustments	(0.01)	0.31
	9 Benefit paid	(0.45)	(0.89)
	Net (asset) / liability at the end of the year	**8.03**	**6.63**
V	**Maturity profile of defined benefit obligation**		
	1 Within the next 12 months (next annual reporting period)	1.30	1.06
	2 Between 2 and 5 years	3.10	2.33
	3 Between 6 and 10 years	3.56	3.02
VI	**Quantitative sensitivity analysis for significant assumptions is as below:**		
	1 Increase/(decrease) on present value of defined benefit obligation at the end of the year		
	(i) 0.5% increase in discount rate	7.78	(0.22)
	(ii) 0.5% decrease in discount rate	8.30	0.23
	(iii) 0.5% increase in rate of salary increase	8.25	0.20
	(iv) 0.5% decrease in rate of salary increase	7.81	(0.18)
	(v) 20% increase in employee turnover rate	8.08	0.06
	(vi) 20% decrease in employee turnover rate	7.98	(0.11)

2 Sensitivity analysis method

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

VII	Actuarial Assumptions:	As at 31 March 2018	As at 31 March 2017
1	Discount rate	7.60% p.a	7.15% p.a
2	Expected rate of salary increase	6.00% p.a	6.00% p.a
3	Attrition rate		
	Age Band		
	25 & Below	15.00% p.a	15.00% p.a
	26 to 35	12.00% p.a	12.00% p.a
	36 to 45	9.00% p.a	9.00% p.a
	46 to 55	6.00% p.a	6.00% p.a
	56 & above	3.00% p.a	3.00% p.a
4	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 19 under "Salaries and wages": Gratuity ₹ 2.10 crores (Previous year - ₹ 1.06 crores) and Leave encashment ₹ 1.94 crores (Previous year - ₹ 0.35 crores)

b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B Defined contribution plan

The Company makes contributions towards provident fund and super annuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. Amount recognised as an expense in the Statement of Profit and Loss - included in Note 19 - "Contribution to provident and other funds" ₹ 1.71 crore (Previous Year - ₹ 1.83 crore). The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Employee Benefits plan

a) Defined Benefit Plan of Carbogen Amics AG

(i) Pension Plan

(CHF in Mn.)

	Defined benefit plans -	For the year ended 31st March, 2018	For the year ended 31 March, 2017
		Pension Plan	Pension Plan
I	**Expenses recognised in statement of profit and loss during the year:**		
	1 Current Service Cost	4.40	4.26
	2 Interest cost	0.18	0.13
	Total Expenses	**4.58**	**4.39**
II	**Expenses/(Income) recognised in OCI**		
	1 Actuarial changes arising from changes in demographic assumptions	-	-
	2 Actuarial changes arising from changes in financial assumptions	0.00	(4.61)
	3 Actuarial changes arising from changes in experience adjustments	0.28	0.84
	3 Actuarial changes arising from changes in demographic assumptions	(0.22)	0.00
	4 Return on plan assets excluding interest income	(0.67)	0.92
	Total Expenses/(Income)	**(0.62)**	**(2.85)**
III	**Net Asset /(Liability) recognised as at balance sheet date:**		
	1 Present value of defined benefit obligation	89.29	83.67
	2 Fair value of Plan asset	63.78	59.11
	3 Net Asset /(Liability) - Current	-	-
	4 Net Asset /(Liability) - Non- Current	(25.51)	(24.56)

			For the year ended 31st March, 2018	For the year ended 31 March, 2017
			Pension Plan	Pension Plan
IV	**Reconciliation of Defined Benefit Obligation recognised as at balance sheet date:**			
	1	Defined benefit Obligation at beginning of the year	83.67	80.10
	2	Current Service Cost	4.36	4.22
	3	Interest cost	0.60	0.42
	4	Contributions by plan participants	2.31	2.00
	5	Administration cost (excl. cost for managing plan assets)	0.04	0.04
	6	Actuarial loss/(gain)	0.51	(3.77)
	7	Benefit paid	(2.20)	0.66
		Net asset / (liability) at the end of the year	**89.29**	**83.67**
V	**Reconciliation of fair value of plan assets:**			
	1	Fair value of plan assets at the beginning of the year	59.11	54.08
	2	Interest income on plan assets	0.43	0.28
	3	Contributions by the employer	3.46	3.00
	4	Contributions by plan participants	2.31	2.00
	5	Benefits (paid) / deposited	(2.20)	0.66
	6	Return on plan assets excl. interest income	0.67	(0.92)
	7	Fair value of plan assets at the end of the year	63.78	59.11
VI	**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**			
	Others - 100%		63.78	59.11
	Total		**63.78**	**59.11**
VII	**Maturity profile of defined benefit obligation**			
	1	Weighted average duration of defined benefit obligation in years	18.40	19.00
	2	Weighted average duration of dbo in years for active members	18.80	19.50
	3	Weighted average duration of dbo in years for pensioners	15.30	16.00
VIII	**Quantitiative sensitivity analysis for significant assumptions is as below:**			
	1	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
		(i) 0.25% increase in discount rate	85.37	79.87
		(ii) 0.25% decrease in discount rate	93.53	87.79
		(iii) 0.25% increase in rate of salary increase	89.93	84.29
		(iv) 0.25% decrease in rate of salary increase	88.66	83.06
		(v) 1 year increase in life expectancy	87.74	84.29
		(vi) 1 year deccrease in life expectancy	90.84	85.07

2 Sensitivity analysis method

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

			As at 31 March 2018	As at 31 March 2017
IX	**Actuarial Assumptions:**			
	1	Discount rate	0.70%	0.70%
	2	Mortality decrement	BVG 2015 GT	BVG 2015 GT
	3	Disability decrement	BVG 2015	BVG 2015
	4	Expected benefit increase	0%	0%
	5	Long-term interest on retirement accounts	1%	1%
	6	Expected rate of salary increase		
		Age 25 – 29	2.00%	2.00%
		Age30 – 34	2.00%	2.00%
		Age 35 – 39	1.50%	1.50%
		Age 40 – 44	1.50%	1.50%
		Age 45 – 49	1.50%	1.50%
		Age 50 – 54	1.50%	1.50%
		Age 55 – 65	1.00%	1.00%
	7	Attrition rate	Men	Women
		Age 25 – 29	20.00%	18.00%
		Age 30 – 34	15.00%	14.00%
		Age 35 – 39	11.00%	11.00%
		Age 40 – 44	8.00%	8.00%
		Age 45 – 49	6.00%	7.00%
		Age 50 – 54	4.00%	5.00%
		Age 55 – 59	2.00%	2.00%
		Age 60 – 65	1.00%	1.00%
	8	Retirement probabilities	Men	Women
		Age 64	100%	100%
		Age 65	100%	100%

(ii) Jubliee Plan **(CHF in Mn.)**

			For the year ended 31st March, 2018	For the year ended 31 March, 2017
	Defined benefit plans -		**Jubliee Plan**	**Jubliee Plan**
I	**Expenses recognised in statement of profit and loss during the year:**			
	1	Current Service Cost	0.36	0.35
	2	Interest cost	0.02	0.01
	Total Expenses		**0.38**	**0.36**
II	**Expenses recognised in OCI**			
	1	Actuarial changes arising from changes in demographic assumptions	-	-
	2	Actuarial changes arising from changes in financial assumptions	-	(0.04)
		Actuarial changes arising from changes in demographic assumptions	-	-
	3	Actuarial changes arising from changes in experience adjustments	0.16	0.10
	Total Expenses		**0.16**	**0.07**

			For the year ended 31st March, 2018	For the year ended 31 March, 2017
			(CHF in Mn.)	
			Jubliee Plan	Jubliee Plan
III	**Net Asset /(Liability) recognised as at balance sheet date:**			
	1	Present value of defined benefit obligation	2.92	2.54
	2	Net Asset /(Liability) - Current	-	-
		Net Asset /(Liability) - Non- Current	2.92	2.54
IV	**Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:**			
	1	Defined benefit Obligation at beginning of the year	2.54	2.37
	2	Current Service Cost	0.36	0.34
	3	Interest cost	0.02	0.01
	4	Contributions by plan participants	-	-
	5	Administration cost (excl. cost for managing plan assets)	-	-
	6	Actuarial loss/(gain)	0.16	0.07
	7	Benefits (paid) / deposited	(0.17)	(0.25)
	8	Net asset / (liability) at the end of the year	**2.92**	**2.54**
V	**Maturity profile of defined benefit obligation**			
	1	Weighted average duration of defined benefit obligation in years	6.90	7.30
VI	**Quantitiative sensitivity analysis for significant assumptions is as below:**			
	1	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
		(i) 0.25% increase in discount rate	2.87	2.50
		(ii) 0.25% decrease in discount rate	(2.97)	2.59
		(iii) 0.25% increase in rate of salary increase	2.97	2.59
		(iv) 0.25% decrease in rate of salary increase	2.87	2.50
		(v) 1 year increase in life expectancy	2.92	2.55
		(vi) 1 year deccrease in life expectancy	2.92	2.54
	2	**Sensitivity analysis method**		
		Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		
VII	**Actuarial Assumptions:**		**As at March 31, 2017**	
	1	Discount rate	0.70%	0.70%
	2	Mortality decrement	BVG 2015 GT	BVG 2015 GT
	3	Disability decrement	BVG 2015	BVG 2015
	4	Expected benefit increase	0%	0%
	5	Long-term interest on retirement accounts	1%	1%
	6	Expected rate of salary increase		
		Age 25 – 29	2.00%	2.00%
		Age30 – 34	2.00%	2.00%
		Age 35 – 39	1.50%	1.50%
		Age 40 – 44	1.50%	1.50%
		Age 45 – 49	1.50%	1.50%
		Age 50 – 54	1.50%	1.50%
		Age 55 – 65	1.00%	1.00%

		For the year ended 31st March, 2018	For the year ended 31 March, 2017
		Jubliee Plan	Jubliee Plan
7	Attrition rate	Men	Women
	Age 25 – 29	20.00%	18.00%
	Age 30 – 34	15.00%	14.00%
	Age 35 – 39	11.00%	11.00%
	Age 40 – 44	8.00%	8.00%
	Age 45 – 49	6.00%	7.00%
	Age 50 – 54	4.00%	5.00%
	Age 55 – 59	2.00%	2.00%
	Age 60 – 65	1.00%	1.00%
8	Retirement probabilities	Men	Women
	Age 64	100%	100%
	Age 65	100%	100%

(CHF in Mn.)

1 The Discount rate is based on the prevailing market yields of Swiss Bonds as at the Balance Sheet date for the estimated terms of the obligations.

2 Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3 Carbogen Amcis AG has taken an insurnace for covering all risks arising from the pension plan for its employees from AXA Life Insurance Co. Ltd.

Defined Contribution Pension Scheme (In respect of Carbogen Amcis SAS, Carbogen Amcis Ltd UK and Dishman Netherland B.V.) During the year, the group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to ₹ 3.88 crores (P.Y. : ₹ 1.13 crores)and the outstanding pension liability as at 31st March 2018 is ₹ 1.13 crores (As at 31st March 2017 : ₹ 2.43 crores).

Note 34: Segment Reporting

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Operating Segments:

The Company is in the business of manufacturing and marketing of -

A. Contract Research & Contract Manufacturing (CRAMS).

B. Bulk Drugs, Intermediates, Quats ,Specialty Chemicals and Traded Goods.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and Liabilities:

As certain assets of the Group including manufacturing facilities, development facilities and financial assets and liabilities are often deployed interchangeably across segment, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and segment liabilites has not been disclosed.

(a) Summary of Segmental Information for the year ended 31st March, 2018 (₹ in crores)

Particulars	CRAMS	Vitamin-D, Bulk Drugs, Quats, Speciality Chemicals and traded goods	Unallocated/ Others	Total
Revenue				
External Sales	1,275.39 (1,259.60)	419.40 (454.09)	- -	1,694.78 (1,713.69)
Inter Segment Sales	-	-	-	-
Revenue from Operations - External	**1,275.39**	**419.40**	**-**	**1,694.78**
Segment Result before interest and income tax	175.87 (148.97)	58.06 (61.30)	37.36 (43.20)	271.29 (253.47)
Interest Income	-	-	8.32 (12.51)	8.32 (12.51)
Interest Expenses	-	-	(48.83) (-49.01)	(48.83) (-49.01)
Share of profit from associates	-	-	- (-0.89)	- (-0.89)
Tax Expense (Income+Deferred Tax)	-	-	(76.22) (-70.65)	(76.22) (-70.65)
Net Profit				154.57 (145.43)

(b) Summary of Segment Revenue and Segment assets for the year ended 31st March, 2018 (₹ in crores)

	India	Rest of the world	Total
Segment Revenue*	31.60 (65.14)	1,663.18 (1,648.55)	1,694.78 (1,713.69)
Carrying cost of total assets**	3,104.12 (2,712.59)	4,072.36 (3,880.84)	7,176.48 (6,593.43)
Carrying cost of non current assets@	2,397.30 (2,132.83)	3,233.02 (3,031.02)	5,630.31 (5,163.85)

* Based on location of customers

** Based on location of assets

@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Information about major customers:

Revenues from one of the customers of the Group's CRAMS segment was approximately 225 crores (Previous year ₹ 186 Crores) representing approximately 13.61% (Previous year : 10.85 %) of the Group's total revenues, for the year ended 31 March 2018.

Note 35: Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crores)

Financial Assets and Liabilities as at 31st March, 2018	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	Total Fair Value
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets																	
Investments																	
- Equity instruments	50.24	10.09	60.32	14.87	-	-	14.87	0.02	-	45.43	45.45	-	-	0.00	0.00	60.32	60.32
- Debt instruments	51.19	58.05	109.25	109.25	-	-	109.25	-	-	-	-	-	-	-	-	109.25	109.25
- Fixed deposits	-	26.21	26.21	-	-	-	-	-	-	-	-	-	-	26.21	26.21	26.21	26.21
Loans	38.06	75.51	113.57	-	-	-	-	-	-	-	-	-	-	113.57	113.57	113.57	113.57
Trade receivable	-	444.40	444.40	-	-	-	-	-	-	-	-	-	-	444.40	444.40	444.40	444.40
Cash and Cash quivalents	-	65.52	65.52	-	-	-	-	-	-	-	-	-	-	65.52	65.52	65.52	65.52
Other Bank Balance	-	3.54	3.54	-	-	-	-	-	-	-	-	-	-	3.54	3.54	3.54	3.54
Derivative Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financial Assets	4.61	24.43	29.04	-	-	-	-	-	-	-	-	-	-	29.04	29.04	29.04	29.04
Total	**144.10**	**707.75**	**851.85**	**124.12**	-	-	**124.12**	**0.02**	-	**45.43**	**45.45**	-	-	**682.28**	**682.28**	**851.85**	**851.85**
Financial Liabilities																	
Borrowings	524.98	393.31	918.29	-	-	-	-	-	-	-	-	-	-	918.29	918.29	918.29	918.29
Trade Payables	-	185.92	185.92	-	-	-	-	-	-	-	-	-	-	185.92	185.92	185.92	185.92
Derivative Liabilities	-	22.00	22.00		-	-	-	-	22.00	-	22.00	-	-	-	-	22.00	22.00
Other Financial Liabilities	-	265.05	265.05	-	-	-	-	-	-	-	-	-	-	265.05	265.05	265.05	265.05
Total	**524.98**	**866.27**	**1,391.25**	-	-	-	-	-	**22.00**	-	**22.00**	-	-	**1,369.25**	**1,369.25**	**1,391.25**	**1,391.25**

(₹ in crores)

Financial Assets and Liabilities as at 31st March, 2017	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	Total Fair Value
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial Assets																	
Investments																	
- Equity instruments	39.62	-	39.62	-	-	-	-	0.03	-	39.59	39.62	-	-	-	-	39.62	39.62
Loans	35.01	95.82	130.83	-	-	-	-	-	-	-	-	-	-	130.83	130.83	130.83	130.83
Trade receivable	-	285.55	285.55	-	-	-	-	-	-	-	-	-	-	285.55	285.55	285.55	285.55
Cash and Cash quivalents	-	58.61	58.61	-	-	-	-	-	-	-	-	-	-	58.61	58.61	58.61	58.61
Other Bank Balance	-	28.78	28.78	-	-	-	-	-	-	-	-	-	-	28.78	28.78	28.78	28.78
Derivative Assets	-	20.87	20.87	-	20.87	-	20.87	-	-	-	-	-	-	-	-	20.87	20.87
Other Financial Assets	2.77	124.49	127.26	-	-	-	-	-	-	-	-	-	-	127.26	127.26	127.26	127.26
Total	**77.39**	**614.12**	**691.51**	-	**20.87**	-	**20.87**	**0.03**	-	**39.59**	**39.62**	-	-	**631.02**	**631.02**	**691.51**	**691.51**
Financial Liabilities																	
Borrowings	460.12	384.95	845.08	-	-	-	-	-	-	-	-	-	-	845.08	845.08	845.08	845.08
Trade Payables	-	85.64	85.64	-	-	-	-	-	-	-	-	-	-	85.64	85.64	85.64	85.64
Other Financial Liabilities	-	166.09	166.09	-	-	-	-	-	-	-	-	-	-	166.09	166.09	166.09	166.09
Total	**460.12**	**636.69**	**1,096.82**	-	-	-	-	-	-	-	-	-	-	**1,096.82**	**1,096.82**	**1,096.82**	**1,096.82**

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values for investment in equity shares other than subsidiaries, joint venture and associate were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
4. Forward pricing - The fair value is determined using quoted forward exchange rate at the reporting date and respective present value calculations based on high quality credit yield curves in the respective currency.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(D) Valuation technique used to determine fair value

The following is the valuation technique used in measuring Level 2 and Level 3 fair values, for the financial instruments measured at fair value in the statement of financial position, as well as significant unobservable inputs used.

Finnancial Instruments measured at fair value

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair valuation
Investments in unquoted instruments accounted for as Fair value through Other Comprehensive Income	DCF method	(i) Discounting rate: March 2018: 9.53 % (March 2017: 9.53 %) (ii) Growth rate: March 2018: 7% (March 2017: 10.95%)	Increase/ (Decrease) in significant unobservable input will Increase/ (Decrease) fair value of the instrument
Derivative instruments-forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rate at the reporting date.	Not applicable	Not applicable

(E) For the fair value of unquoted equity shares, reasonable possible change at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effect

(₹ in crores)

Significant unobservable inputs		Profit or Loss As at 31st March 2018	Profit or Loss As at 31st March 2017
+/- 0.5% Discount rate and Growth rate	Increase	2.36	5.73
	Decrease	2.36	5.09

(F) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2018:

	Unlisted equity securities
Fair value of the shares acquired on merger of DPCL	40.43
Gains/(losses) recognised in other comprehensive income	(0.84)
As at 31 March 2017	**39.59**
Gains/(losses) recognised in other comprehensive income	5.83
As at 31 March 2018	**45.42**

Note 36: Financial Risk Management

The group's financial risk management is an integral part of how to plan and execute its business strategies. The group's activities expose it to a variety of its financial risk including

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk managementframework.

The group's activities expose it to market risk, liquidity risk and credit risk. The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the group's policies approved by the Board of directors, which provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by internal auditors. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Company's audit committee also oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(A) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade and Other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit riskassessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

As at 31st March, 2018, Group did not have any significant concentration of credit risk with any external customers.

Expected credit loss assessment for Trade and Other receivables as at 31 March 2018:

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables.

(₹ in crores)

	Gross Carrying amount	Loss allowances	Net Carrying amount
As at 31st March, 2018	455.92	11.52	444.40
As at 31st March, 2017	304.41	18.86	285.55

The movement in the loss allowance in respect of trade and other receivables during the year was as follows

	(₹ in crores)
Balance as at 1 April 2016	-
Add : On account of merger (Refer Note No. 28(i)	18.41
Movement during the year	0.45
Balance as at 31 March 2017	**18.86**
Movement during the year	(7.34)
Balance as at 31 March 2018	**11.52**

Cash and cash equivalents

The group held Bank balance of of ₹ 69.06 crores as at 31st March, 2018 (₹ 87.39 crore at 31st March, 2017). The same are held with bank and financial institution counterparties with good credit rating.

Derivatives

The forward cover has been entered into with banks /financial institution counterparties with good credit rating.

Others

Other than trade receivables reported above , the group has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. The group has access to a sufficient variety of sources of short term funding with existing lenders. The group has arrangements with the reputed banks and has unused line of credit that could be drawn upon should there be need.

The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profile of financial assets and liabilities. Note below set out details of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in crores)

Contractual maturities of financial liabilities 31 March 2018	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives				
Long term borrowings (inclusive of accumulated interest)	207.86	233.53	319.31	**760.70**
Working Capital Facility and Short term loans and borrowings	393.31	-	-	**393.31**
Trade payables	185.92	-	-	**185.92**
Other financial liabilities	88.51	-	-	**88.51**
Total non-derivative liabilities	**875.60**	**233.53**	**319.31**	**1,428.43**
Derivatives (net settled)				
Foreign exchange forward contracts	22.00	-	-	22.00
Total derivative liabilities	**22.00**	**-**	**-**	**22.00**

(₹ in crores)

Contractual maturities of financial liabilities 31 March 2017	1 year or less	1-2 years	2-5 years	Total
Non-derivatives				
Long term borrowings (inclusive of accumulated interest)	130.14	181.99	323.69	**635.82**
Working Capital Facility and Short term loans and borrowings	384.95	-	-	**384.95**
Trade payables	85.64	-	-	**85.64**
Other financial liabilities	61.46	-	-	**61.46**
Total non-derivative liabilities	**662.20**	**181.99**	**323.69**	**1,167.88**
Derivatives (net settled)				
Foreign exchange forward contracts	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

(C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

(i) Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP and Chinese renminbi (RMB). The group has in place the Risk management policy to managed the foreign exchange exposure.

The Foreign currency excahnge rate exposure is partly balanced through natural hedge, where in the group's borrowing is in foreign currency and cash flow generated from financial assets is also in same foreign currency. This provide an economic hedge without derivatives being entered into and therefore hedge accounting not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The group can enter into foreign currency forward contracts and other authorized derivative contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables and borrowings.

The group uses derivative instruments, mainly foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in line with the policy.

The group hedges 75% to 80% of its estimated foreign currency exposure in respect of forecast sales and purchases and repayment of borrowings over the following 12 months. The group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign currency risk exposure:

The Group exposure to foreign currency risk at the end of the reporting period expressed in ', are as follows

(₹ in crores)

Sr No	Particulars	Currency	Standalone		Subsidiary		As at 31st March, 2018	
			(₹ in crores)	(FC in Mn.)	(₹ in crores)	(FC in Mn.)	(₹ in crores)	(FC in Mn.)
A	**Financial assets**							
(i)	Trade receivables	EURO	9.31	1.16	44.40	5.53	53.71	6.69
			(7.67)	(1.11)	(16.74)	(2.29)	(24.41)	(3.40)
		USD	123.66	18.97	465.13	71.38	588.79	90.35
			(108.50)	(16.73)	(95.98)	(13.68)	(204.48)	(30.41)
		GBP	0.13	0.01	3.17	0.35	3.30	0.36
			(0.20)	(0.02)	-	-	(0.20)	(0.02)
		CHF	5.78	0.85	0.84	0.12	6.62	0.97
			(-)	(-)	(-)	(-)	(-)	(-)
(ii)	Loans and Advances	USD	56.09	8.61	-	-	56.09	8.61
			(55.76)	8.60	-	-	(55.76)	8.60
(iii)	Bank balance in EEFC accounts	USD	-	-	-	-	-	-
			(0.58)	(0.09)	(5.62)	(0.87)	(6.20)	(0.96)
B	**Financial liabilities**							
(iv)	Foreign currency loan Bank loan	USD	341.83	52.45	2.22	0.34	344.05	52.79
			(289.07)	(44.57)	(162.24)	(25.07)	(451.31)	(69.64)
		EURO	109.98	13.70	-	-	109.98	13.70
			(120.42)	(17.44)	(1.94)	(0.30)	(122.36)	(17.74)
		GBP	77.68	8.50	0.00	-0.00	77.68	8.50
			-	-	(26.44)	(4.09)	(26.44)	(4.09)
	Interest Payable	USD	-	-	46.15	5.05	46.15	5.05
			(-)	(-)	(-)	(-)	(-)	(-)
		EURO	-	-	-	-	-	-
			(0.20)	(0.03)			(0.20)	(0.03)
(v)	Trade payables	USD	74.58	11.44	19.65	3.02	94.23	14.46
			(83.79)	(12.92)	(69.02)	(9.32)	(152.81)	(22.24)
		EURO	2.70	0.34	14.91	1.85	17.61	2.19
			(1.68)	(0.24)	(13.35)	(1.72)	(15.03)	(1.96)
		GBP	0.11	0.01	-0	-0	0.11	0.01
			(0.19)	(0.02)	(0.11)	(0.02)	(0.30)	(0.04)

(Figures in bracket and italics reflects of previous year)

The group has entered into forward contract transactions and currency swaps, which are not intended for trading or speculative purpose but to hedge the export receivables including future receivables. The group has following forward cover outstanding.

Type of transaction	Purpose	Currency	Buy or Sell	Cross Currency	31 March 2018	
					Amount in Foreign currency in Mn.	(₹ in crores)
Forward Cover	To hedge export receivables	USD	Sell	INR	23.90	155.77
					(41.20)	(267.18)
		CHF	Sell	USD	9.92	64.62
					(-)	(-)
		GBP	Sell	USD	17.60	114.69
					(1.50)	(12.20)
		EURO	Sell	USD	16.81	109.55
					(-)	(-)
		EURO	Sell	INR	32.00	256.95
					(4.50)	(31.08)
		GBP	Sell	INR	50.90	464.93
					(6.00)	(48.81)
		CHF	Sell	INR	21.75	148.67
					(-)	(-)
		CHF	Sell	USD	19.96	136.46
					(-)	(-)
		GBP	Buy	INR	-	-
					(3.50)	(24.17)
Swap Cover	To hedge Foreign Currency Loan	CHF	Sell	USD	24.36	166.52
					(-)	(-)
		CHF	Sell	INR	6.73	46.03
					(-)	(-)
		GBP	Sell	INR	3.63	33.16
					(-)	(-)

(Figures in bracket and italics reflects on previous year)

(c) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the below table as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
Mar-18				
Effect in INR				
1 % movement				
USD	2.35	(2.35)	2.35	(2.35)
EUR	3.31	(3.31)	3.31	(3.31)
GBP	4.62	(4.62)	4.62	(4.62)
CHF	2.79	(2.79)	2.79	(2.79)
Mar-17				
Effect in INR				
1 % movement				
USD	30.10	(30.10)	30.10	(30.10)
EUR	4.24	(4.24)	4.24	(4.24)
GBP	6.37	(6.37)	6.37	(6.37)

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The group main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the group's borrowings at variable rate were mainly denominated in USD and EURO.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The group's approch to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

(a) Interest rate risk exposure

The exposure of the entity's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Variable rate borrowings	1,094.82	808.56
Fixed rate borrowings	-	141.15
Total borrowings	**1,094.82**	**949.71**

(b) As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swapcontracts outstanding:

(₹ in crores)

Particulars	**As at 31st March, 2018**		**As at 31st March, 2017**	
	Balance	**% of total loans**	**Balance**	**% of total loans**
Bank loans	1,094.82	95.43	808.56	85.10
Interest rate swaps (notional principal amount)	(50.00)	-	(32.33)	-
Total borrowings	**1,044.82**	**95.43**	**776.23**	**85.10**

(c) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crores)

Particulars	**Impact on profit after tax**	**Impact on profit after tax**
	As at 31st March, 2018	**As at 31st March, 2017**
Interest rates – increase by 50 basis points *	(5.47)	(3.88)
Interest rates – decrease by 50 basis points *	5.47	3.88

* Holding all other variables constant

(D) Hedge Accounting

The Company's business objective includes safe-guarding its earnings against adverse effect of foreign exchange and interest rates. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges. Hedging instruments include forwards and swap as derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Cash Flow Hedge

Hedging instruments

(₹ in crores)

Particulars	Nominal Value	Carrying amount		Change in fair value	Hedge maturity	Line item in Balance sheet
		Assets	Liabilities			
Foreign Currency Risk						
Forward contract	1,151.05	-	-	16.99	April, 2017 to January, 2021	Other financial liabilities
Interest and currency Swap	201.88	-	213.29	11.40	May, 2017 to January, 2019	Long term borrowings and Other financial liabilities
Foreign currency term loans	139.20	-	143.85	4.64	September, 2017 to October, 2018	Long term borrowings

Hedge items

Particulars	Nominal Value	Change in fair value	Hedge reserve	Line item in Balance sheet
Foreign Currency Risk				
Highly probable exports	1,492.13	33.03	33.03	Other equity

Note 37: Offsetting financial assets and financial liabilities

The are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March, 2018 and 31st March, 2017.

Note 38:

(i) Details of research and development expenditure recognised as revenue expense (Other than contract research expenses)

(₹ in crores)

Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
Annual Maintenance	0.05	0.01
Consumables	0.07	0.09
Conveyance	0.09	0.10
Laboratory Expenses	0.95	0.98
Others	0.20	0.16
Power & Fuel	-	0.50
Repair & maintenance	0.30	0.24
Raw Material Consumption	0.11	0.19
Salary & Wages	3.43	2.95
Subscription Expenses	0.04	0.07
Total	**5.24**	5.29

(ii) Details of research and development expenditure recognised as capital expenses (₹ in crores)

Particulars	**For the year ended 31st March, 2018**	**For the year ended 31 March, 2017**
Plant & Machinery	0.01	1.28
Office Equipments and Computers	0.08	0.02
CWIP - Laboratory equipment	0.61	-
Intangible assets under development	20.36	11.35
Total	**21.06**	12.65

Note 39: Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dishman Carbogen Amcis Ltd.	93.82%	4,791.58	23.99%	37.08	(20.96%)	(29.09)	2.72%	7.99
Subsidiaries								
Dishman Europe Ltd.	1.12%	57.42	7.63%	11.79	-	-	4.02%	11.79
Dishman USA Inc.	0.39%	19.80	1.09%	1.68	-	-	0.57%	1.68
CARBOGEN AMCIS Holdings AG	15.20%	776.48	26.41%	40.82	-	-	13.91%	40.82
CARBOGEN AMCIS AG	6.66%	340.06	65.50%	101.24	(0.02%)	(0.03)	34.50%	101.21
Dishman Switzerland Ltd.	0.06%	3.20	(0.33%)	(0.51)	-	-	(0.18%)	(0.51)
Dishman International Trading (Shangai) Co. Ltd.	0.15%	7.53	0.58%	0.90	-	-	0.31%	0.90
CARBOGEN AMCIS (Shanghai) Co. Ltd.	1.93%	98.61	(6.04%)	(9.33)	-	-	(3.18%)	(9.33)
CARBOGEN AMCIS Ltd. (UK)	0.84%	42.71	5.17%	8.00	-	-	2.73%	8.00
Cohecie Fine Chemicals B.V.	0.00%	-	0.00%	-	-	-	0.00%	0.00
Dishman Netherlands B.V.	4.50%	229.64	33.51%	51.80	-	-	17.66%	51.80
Innovative Ozone Services Inc. (IO3S)	0.00%	0.10	7.83%	12.11	-	-	4.13%	12.11
Dishman Australasia (Pty) Ltd.	0.01%	0.51	0.12%	0.19	-	-	0.06%	0.19
Dishman Middleast FZE	0.03%	1.65	-	-	-	-	0.00%	-
Dishman Japan Ltd.	(0.07%)	(3.34)	1.10%	1.70	-	-	0.58%	1.70
CARBOGEN AMCIS SAS	0.38%	19.24	1.44%	2.23	-	-	0.76%	2.23
Dishmn Singapore Ltd	3.82%	195.00	0.18%	0.28	-	-	0.09%	0.28
Sub Total	**128.84%**	**6,580.20**	**168.19%**	**259.97**	**(20.98%)**	**(29.12)**	**78.69%**	**230.85**
Less : Effect of Inter Company elimination / adjustment	(28.84%)	(1,472.86)	68.19%	(105.40)	(120.98%)	167.91	-	62.51
Total	**100%**	**5,107.34**	**100%**	**154.57**	**100%**	**138.79**	**100%**	**293.36**

Note 40: The financial statements were authorised for issue by the Holding Company's Board of directors on 16-May-2018.

As per our report of even date

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

Hemant J. Bhatt
Partner
Membership No. 036834

Place : Ahmedabad
Date : 16th May, 2018

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

Vimal D. Shukla
Proprietor
Membership No. 036416

For and on behalf of the Board of Directors

Janmejay R. Vyas
Chairman & Managing Director
DIN : 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN : 01540057

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 16th May, 2018

Form - AOC- 1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Dishman Europe Limited (DEL)	Dishman USA Inc. (DUS)	CARBOGEN AMCIS Holding AG	CARBOGEN AMCIS AG (CA AG)	Dishman Switzerland Ltd.	Dishman International Trading (Shangai) Co. Ltd.*	CARBOGEN AMCIS (Shanghai) Limited	CARBOGEN AMCIS Limited (UK)	Dishman Netherlands B.V. (DNBV)	Innovative Ozone Services Inc. (IOSS)	Dishman Australasia (Pty) Limited	Dishman Middleast FZE	Dishman Japan Limited	CGAMRIOM	Dishman Carbogen Amcis (Singapore) Pte. Ltd.
	The Date since when subsidiary was acquired/created	15/07/1997	21/07/1998	08/08/2006	22/08/2006	24/11/2005	17/02/2004	13/09/2006	21/04/2005	09/04/2003	31/01/2006	27/07/2007	22/03/2011	03/04/2007	01/12/2012	13/07/2016
	Reporting Period of the Subsidiary	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
	Currency of presentation	British Pound	US Dollar	CHF	CHF	CHF	CNY	CNY	British Pound	Euro	CHF	AU $	UAE Dirhams	JPY	Euro	SG $
1	Share Capital															
	In Foreign Currency	0.16	0.30	38.60	1.45	1.03	1.86	196.01	0.00	0.23	0.19	0.10	0.95	100.00	1.20	38.84
	In Indian Rupees	1.45	1.96	2638.17	9.91	7.04	1.22	203.40	0.00	1.82	1.30	0.50	1.69	6.13	9.64	193.50
2	Reserve & Surplus															
	In Foreign Currency	6.13	2.74	83.00	48.30	(0.56)	5.80	(100.98)	4.68	28.37	(0.18)	0.00	(0.02)	(154.39)	1.20	0.30
	In Indian Rupees	55.97	17.85	5673.32	330.15	(3.84)	5.81	(104.79)	42.71	227.82	(1.20)	0.01	(0.03)	(9.47)	9.61	1.50
3	Total Assets															
	In Foreign Currency	10.59	25.69	142.16	163.75	0.47	13.80	170.35	7.64	41.87	0.01	0.60	1.00	2.67	3.82	39.19
	In Indian Rupees	96.72	167.40	9718.76	1,119.34	3.20	13.87	176.77	69.82	336.16	0.10	2.98	1.78	0.16	30.66	195.26
4	Total Liabilities															
	In Foreign Currency	4.30	22.65	28.57	114.00	-	5.82	75.33	2.97	13.27	-	0.49	0.07	57.06	1.42	0.05
	In Indian Rupees	39.30	147.59	1952.8	779.27	-	6.04	78.17	27.11	106.52	-	2.48	0.12	3.50	11.42	0.26
5	Investments															
	In Foreign Currency	4.52	Nil	140.38	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees	41.26	Nil	9596.0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Turnover															
	In Foreign Currency	25.45	18.89	8.25	142.65	-	20.83	36.44	7.59	27.31	-	0.45	-	-	3.00	-
	In Indian Rupees	232.49	123.09	563.7	975.11	-	20.28	37.81	69.29	219.38	-	2.26	-	-	24.07	-
7	Profit Before Tax															
	In Foreign Currency	1.38	0.43	6.25	18.97	(0.08)	0.82	(0.12)	1.16	8.54	1.83	0.04	(0.00)	44.01	0.34	0.06
	In Indian Rupees	12.61	2.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.48	[illegible]	[illegible]	2.70	2.77	[illegible]
8	Provision for Tax															
	In Foreign Currency	-	0.17	6.09	3.71	-	(0.11)	9.48	0.22	1.67	-	-	-	14.70	0.05	-
	In Indian Rupees	-	1.12	416.3	25.35	-	(0.11)	9.83	2.05	13.39	-	-	-	0.90	0.39	-
9	Profit After Tax															
	In Foreign Currency	1.38	0.26	6.15	15.26	(0.08)	0.88	(9.60)	0.94	6.88	1.83	0.04	(0.00)	29.30	0.30	0.06
	In Indian Rupees	12.61	1.70	420.6	104.32	(0.53)	0.86	(9.96)	8.56	55.22	12.48	0.19	(0.00)	1.80	2.38	0.29
10	Proposed Dividend															
	In Foreign Currency	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Note:- 1) The Foreign Currency Figures (including Capital) have been converted into Indian Rupees using the exchange rates prevailing as on 31.03.2018.																
Conversion Rate		**British Pound**	**US Dollar**	**CHF**	**CHF**	**CHF**	**CNY**	**CNY**	**British Pound**	**Euro**	**CHF**	**AUS $**	**Dhiram**	**Japanese Yen**	**Euro**	**SG $**
Foreign Currency into INR as on 31.03.2018		91.3358	65.1700	68.3554	68.3554	68.3554	10.3771	10.3771	91.34	80.30	68.36	50.0375	17.7450	0.6133	80.30	49.8225

Note:

i) Names of the subsidiary which is yet to commence operation: NIL

ii) Name of the subsidiary which has been liquidated or sold during the year: NIL

iii) *The Financials of the Shanghai Yiqian International Trade Co. Ltd., has been merged with Dishman International Trading (Shanghai) Co. Ltd.

Place: Ahmedabad
Date : 16th May, 2018

Janmejay R. Vyas
Chirman & Managing Director
DIN: 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G Dave
Company Secretary
ACS 29292

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

SR No	Name of associates	Latest audited Balance sheet Date	Date on which Associate or Joint Venture was associated or acquired	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	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the Year	
				No. Of Shares	Amount of Investment in Associates/ Joint ventures (Rs.)	Extend of Holding%				Considered in Consolidation	Not considered in consolidation
					Nil						

Note:
i) Names of associates / Joint Ventures which are yet to commence operation: NIL
ii) Name of associates / Joint Ventures which has been liquidated or sold during the year: NIL

Place: Ahmedabad
Date : 16th May, 2018

Janmejay R. Vyas
Chirman & Managing Director
DIN: 00004730

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Arpit J. Vyas
Managing Director & CFO
DIN: 01540057

Shrima G Dave
Company Secretary
ACS 29292

Dishman Carbogen Amcis Limited

[formerly Carbogen Amcis (India) Limited]
CIN: L74900GJ2007PLC051338
Registered Office: Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009
Website: www.dishmangroup.com E-Mail: grievance@dishmangroup.com Tel: 02717-420102/124

ATTENDANCE SLIP

Joint shareholders may obtain additional Slip on request.

* DP. ID. No.__________ *Client Id. No.__________ Ledger Folio No.__________

FULL NAME OF THE SHAREHOLDER ATTENDING__________

FULL NAME OF THE FIRST JOINT-HOLDER__________
(TO BE FILLED IN IF FIRST NAMED JOINT-HOLDER DOES NOT ATTEND THE MEETING)

NAME OF PROXY__________
(TO BE FILLED IN IF PROXY FORM HAS BEEN DULY DEPOSITED WITH THE COMPANY)

ADDRESS OF THE SHAREHOLDER__________

No. of Share(s) held:__________

I hereby record my presence at the 11th ANNUAL GENERAL MEETING of the company held on **Thursday the 20th day of September, 2018 at 10.00 a.m at H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015.**

*Applicable for investors holding shares in electronic form

Signature of the shareholder or proxy

NOTE: 1) You are requested to sign and handover this slip at the entrance of the meeting venue. 2) Strike out which is not necessary

Dishman Carbogen Amcis Limited

[formerly Carbogen Amcis (India) Limited]
CIN: L74900GJ2007PLC051338
Registered Office: Bhadr Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009
Website: www.dishmangroup.com E-Mail: grievance@dishmangroup.com Tel: 02717-420102/124

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:__________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on **Thursday, the 20th day of September, 2018 at 10.00 a.m. at H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015** and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sr. No.	Business	Resolutions
1.	Ordinary	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended March 31, 2018.
2.	Ordinary	Re-appointment of Mrs. Deohooti J. Vyas, who retires by rotation.
3.	Special	Re-appointment of Mr. Ashok C. Gandhi, as an Independent Director for a further period of consecutive five (5) years.
4.	Special	Re-appointment of Mr. Sanajy S. Majmudar, as an Independent Director for a further period of consecutive five (5) years.
5.	Special	Re-appointment of Mr. Arpit J. Vyas, as Managing Director for a further period of five (5) years.
6.	Special	To Approve the payment of Remuneration to Non-Executive Directors.

Signed this________day of________2018

Affix Revenue Stamp not less than Re.1/-

Signature of shareholder Signature of Proxy holder(s)

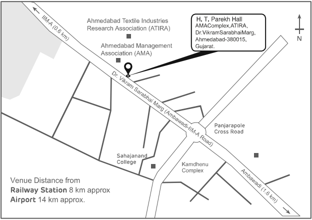
Notes:

1) The Proxy Form must be deposited at the Registered Office of the Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat, at least 48 hours before the time for holding the meeting.
2) **The Proxy Form may be deposited at the Corporate Office of the Company at Dishman Corporate House, Opp. Jayantilal Park BRTS Bus Stop, Iscon - Bopal Road, Ambli, Ahmedabad - 380 058, Gujarat, at least 48 hours before the time for holding the meeting.**
3) The proxy need not be a member of the Company.
4) All alterations made in the Form of Proxy should be initialled.

ROUTE MAP TO THE VENUE OF THE 11^{TH} ANNUAL GENERAL MEETING

Venue :
H. T. Parekh Hall, 1^{st} Floor, Ahmedabad Management Association, ATIRA Campus,
Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.

Landmark :
Opposite Indian Institute of Management (IIM), Ahmedabad

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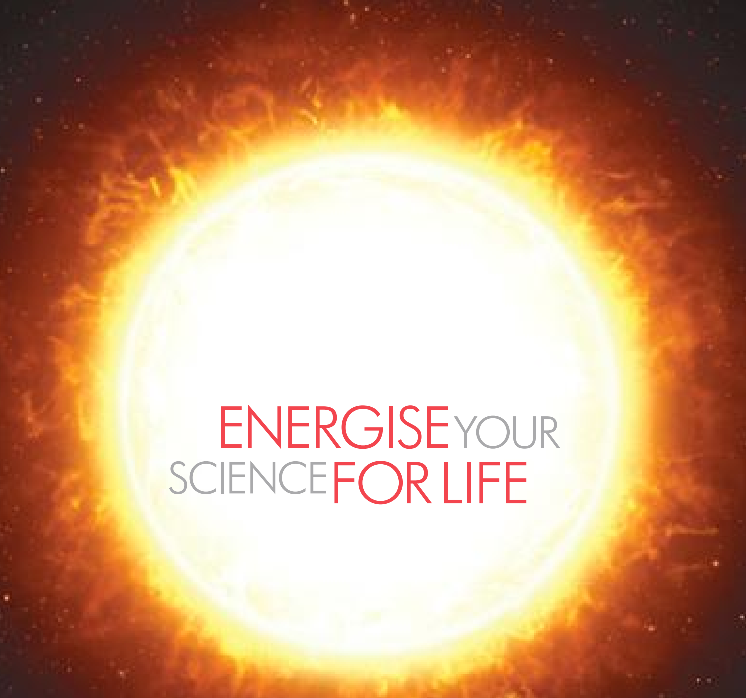

dishman

Dishman Carbogen Amcis Limited.
Bhadr-Raj Chambers
Swastik Cross Road, Navrangpura
Ahmedabad - 380 009
Gujarat, India

www.dishmangroup.com

Dishman is a global, dynamic group of companies offering a continuum of services to the pharmaceutical industry. We are a global outsourcing partner for pharmaceutical companies, offering a portfolio of products and development, scale-up and manufacturing services.