



ENERGISE YOUR
SCIENCE FOR LIFE

12th Annual Report
2018 – 2019

Dishman Carbogen Amcis Limited



Disclaimer:

This document contains statements about expected future events, financial and operating results of Dishman Carbogen Amcis Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Dishman Carbogen Amcis Limited's Annual Report, FY2019.

Dishman Carbogen Amcis Limited
12th Annual Report 2018-19



View Online:
[http://www.dishmangroup.com/
investor-relations.asp](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, AND FOCUSED OPERATIONS AND PRODUCT PORTFOLIO. WE SERVE AN ARRAY OF CUSTOMERS IN KEY ADVANCED MARKETS IN THE GLOBAL CONTRACT RESEARCH & MANUFACTURING SPACE, WITH A STRONG LEGACY OF DELIVERING EXCELLENCE.

Year after year, we are improving our productivity and focusing on efficient resource utilisation to remain competitive and to further enhance our profitability. We have invested in world-class facilities and advanced infrastructure, which unceasingly provides us with an exceptional analytical support for research, development and commercial production of late-stage intermediates and APIs. Powered by our strong research and manufacturing processes, we have established strong customer relationships, while scaling up our CRAMS business in the last few years.

Going forward, we are directing our energies towards high-growth opportunities with a focus on segments with better margins. Our purpose is to deliver superior products by having the right people, with expertise and

knowledge, in place. As we move ahead, we are looking towards higher value opportunities in CRAMS and optimising our product line in the marketable molecules business. Our expanded capacities and technical know-how strongly places us to benefit from the strong growth in the global CRAMS industry, which has high operating margin.

We aim to develop a wider product basket to cater to our diverse customer base, and generate enhanced revenues. Our key objective is to help our customers develop new medicines; efficiently service the needs of growing the pharmaceutical industry, and chart sustainable growth strategies.

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CRAMS –
Our Mainstay
Growth Driver



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Enhancing
Stakeholder Value
Through Our Margin
Strong Vitamin D
Business

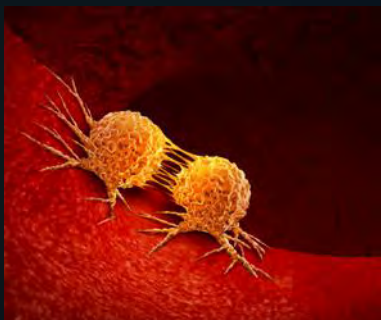
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Serving Society is
Core to Our Purpose



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Continuing to Seek
Superior Margins



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Our Key Strategies
in Play



Corporate Information

Board Of Directors

Mr. Janmejy R. Vyas

Chairman (DIN 00004730)

Mrs. Deohooti J. Vyas

Whole time Director (DIN 00004876)

Mr. Arpit J. Vyas

*Global Managing Director
(CFO upto 28/11/2018) (DIN 01540057)*

Mr. Mark C. Griffiths

*Director (Global Marketing and Strategy)
(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)

Ms. Maitri K. Mehta

*Additional Director w.e.f. 01/04/2019
(DIN 07549243)*

Board Committees

Audit Committee

Mr. Sanjay S. Majmudar, *Chairman*

Mr. Ashok C. Gandhi

Mr. Subir Kumar Das

Nomination and Remuneration Committee

Mr. Sanjay S. Majmudar, *Chairman*

Mr. Ashok C. Gandhi

Mr. Subir Kumar Das

Stakeholder Relationship Committee

Mr. Sanjay S. Majmudar, *Chairman*

Mr. Janmejy R. Vyas

Mr. Ashok C. Gandhi

Corporate Social Responsibility Committee

Mr. Janmejy R. Vyas, *Chairman*

Mr. Arpit J. Vyas

Mr. Sanjay S. Majmudar

Risk Management Committee (w.e.f. 23/01/2019)

Mr. Janmejy R. Vyas, *Chairman*

Mr. Arpit J. Vyas

Mr. Harshil R. Dalal

Management Committee

Mr. Janmejy R. Vyas, *Chairman*

Mr. Arpit J. Vyas

Mrs. Deohooti J. Vyas

Global Chief Financial Officer

Mr. Harshil R. Dalal w.e.f. 28/11/2018

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

LINKINTIME 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
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
- » Doha Bank QPSC
- » HDFC Bank Ltd.
- » IDFC First Bank Ltd.

CIN NO.

L74900GJ2007PLC051338

Subsidiary Companies

- » CARBOGEN AMCIS AG
- » CARBOGEN AMCIS (Shanghai) Co. Ltd.
- » CARBOGEN AMCIS B. V. (formerly known as 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 CARBOGEN AMCIS (Japan) Ltd. (formerly known as Dishman Japan Ltd.)
- » Dishman International Trading (Shanghai) Co. Ltd.
- » Dishman Middle East (FZE)
- » Shanghai Yiqian International Trade Co. Ltd.

At a Glance

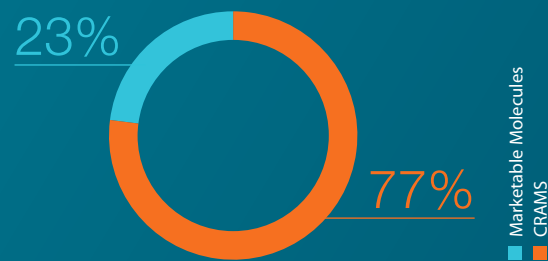
WE ARE A FULLY INTEGRATED CRAMS (CONTRACT RESEARCH & MANUFACTURING) PLAYER WITH GLOBAL PHARMA INNOVATORS. WE HAVE A GLOBAL PRESENCE WITH DEVELOPMENT AND MANUFACTURING SITES AT EUROPE, INDIA AND CHINA. WE PROVIDE AN END-TO-END INTEGRATED HIGH-VALUE NICHE CRAMS OFFERING RIGHT FROM PROCESS RESEARCH AND DEVELOPMENT TO LATE STAGE CLINICAL AND COMMERCIAL MANUFACTURING AND SUPPLY OF ACTIVE PHARMACEUTICAL INGREDIENTS TO INNOVATOR PHARMACEUTICAL COMPANIES.

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 growing companies.

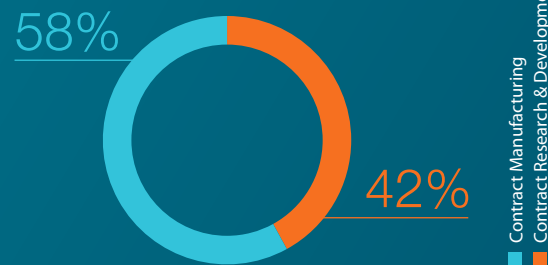
Today, we are a leading global outsourcing partner for the pharmaceutical industry offering a portfolio of development, scale-up and manufacturing services. We aid drug innovators for development and process optimisation for novel drug molecules, which are in various stages of the development process. Once the innovative molecules are approved, we explore further possibility of largescale commercial supply tie-ups.

We generate a healthy pipeline of contract manufacturing opportunities commensurate to the growing revenue base of manufacturing, based on our robust business model capable of sustaining growth and with CRAMS being our growth driver.

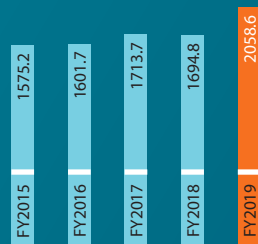
Revenue Break-Up (%)
FY2019



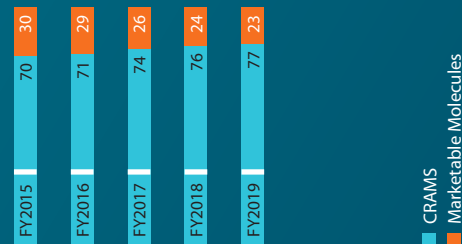
CRAMS Business (%)
FY2019



Revenue (₹ Crore)



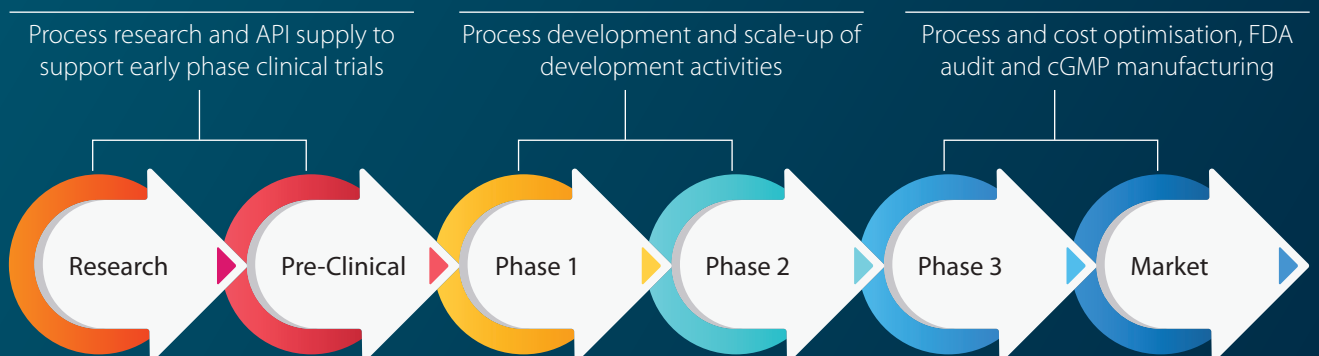
Revenue Mix (%)



Our Product Portfolio



Our Presence across the value chain



Our Manufacturing Footprint



Bavla, Gujarat, India – Unit 1

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

OUR STATE-OF-THE-ART-MANUFACTURING FACILITIES HELP US TO GAIN BETTER DEVELOPMENT ORDERS AND GREATER MOMENTUM IN COMMERCIAL ORDERS.



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 <math><1\mu\text{g}/\text{m}^3</math>)
- » 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 312 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
- » Total no. of Employees: 15



CARBOGEN AMCIS LTD.,
Site - Manchester, UK

- » Specialises in process research and non-GMP custom synthesis of pharmaceutical intermediates with 73 employees
- » Larger capacity (up to 4,500 L) facilitates production of early-phase APIs and large-scale intermediates



CARBOGEN AMCIS SAS,
Site - Riom, France

- » 10,000 m² site with 34 highly-qualified specialists
- » Primary focus on formulation of new products and aseptic drug products of preclinical and clinical batches of injectables in liquid or freeze-dried form
- » 400 m² production area with clean rooms and separate laboratories for formulation development and quality control (micro-biological and analytical controls)
- » Inspected by French Health Authority ANSM



**CARBOGEN AMCIS AG,
Site - Aarau, Switzerland**

- » Primary focus on process research and early-phase API supply with 136 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 92 employees

- » Inspected by the SwissMedic and Korean Health Authority MFDS

- » US FDA inspected



**CARBOGEN AMCIS B.V.,
Site - Veenendaal, The Netherlands**

- » Primary location for manufacture and marketing of Vitamin D analogues, Vitamin D3, Cholesterol and Lanolin related products with 74 employees

- » 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 with 98 employees

- » Ten reactors from 2500L to 8000L scale

- » Allows larger production of nominal batch sizes of 150kg to 630kg

- » Dedicated analytical and QC capability

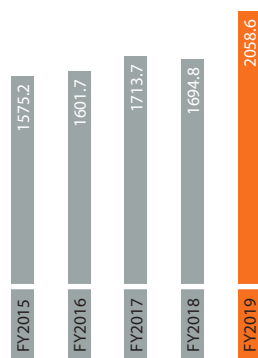
- » Fully qualified process control and monitoring systems

- » On-site bulk solvent storage and waste treatment facilities

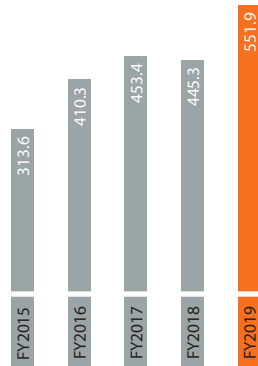
A Glimpse of FY2019

Our Key Performance Indicators

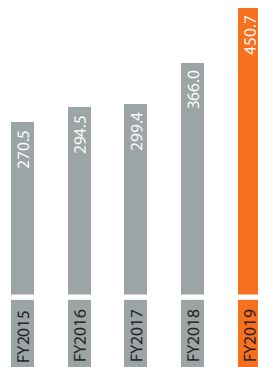
Revenue (₹ Crore)



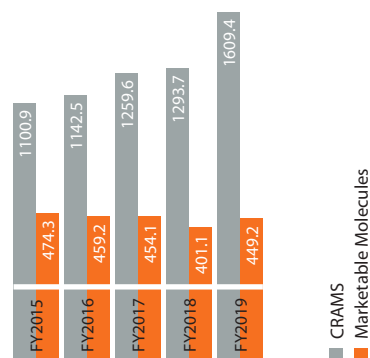
EBITDA (₹ Crore)



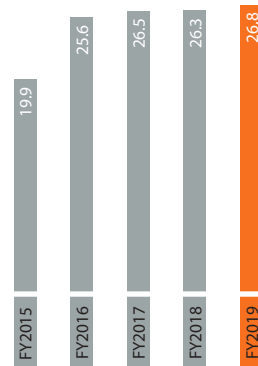
Cash Profit (₹ Crore)



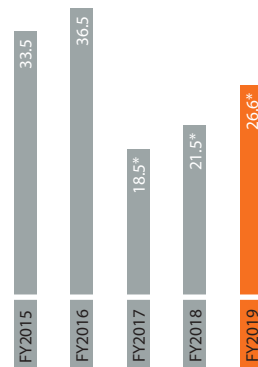
Revenue Break-Up (₹ Crore)



EBITDA Margin (%)



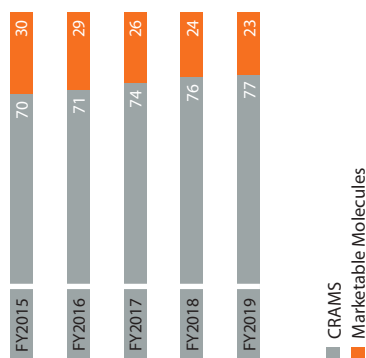
Cash Earnings Per Share (₹)



*includes additional shares due to bonus issue in the ratio of 1:1

WE CONTINUE TO BUILD ON OUR FUNDAMENTALS BY IMPROVING OUR OPERATIONAL EFFICIENCY, WHILE CONSTANTLY WORKING TOWARDS INCREASING OUR OVERALL PROFITABILITY MARGINS BY AUGMENTING OUR CAPACITY UTILISATION.

Revenue Mix (%)



Our Key Initiatives in FY2019

1. Increased the NCE HIPO development capacity in Switzerland by operationalising the new building in Bubendorf.
2. Hired new scientists for additional development projects and enhanced the capability of the existing scientific pool.
3. New customers added to the customer base for development work and increased the projects under Phase III development.
4. Successful regulatory inspections of several manufacturing facilities in India, Switzerland and Netherlands.
5. Expansion planned for manufacturing soft gel capsules in India for Vitamin D and other products.
6. Continued the strategy to focus on the high value added sustainable therapeutic areas such as oncology, cardiovascular, central nervous system, ophthalmic and drugs under orphan category.

Future Growth Drivers for Manufacturing Capacities

The Company has completed phase I of development capacity expansion in its new building that it acquired in Switzerland, which would help it to de-bottleneck development capacity constraints in the near to mid-term. This would add incrementally to the revenues in the next 12-18 months as the newly hired scientists working on the projects would gradually increase their efficiency levels.

The Company has also started expansion in its Bavla site to forward integrate its Vitamin D business into finished formulation by adding capacity for soft gel capsules and manufacturing the animal feed grade Vitamin D. This would increase the revenues significantly in the future once the company commercialises these products in the market.

The Company has started expansion for its HIPO facility to install machinery for its remaining two cells and complete the project by the end of the next financial year. This additional and existing capacity would be utilised for undertaking production of existing commercial molecule, development of other molecules and commercial manufacturing of these molecules as and when the end product receives regulatory approval. This is expected to yield additional revenues in the future at high margins.

Chairman's Message



OVER THE LAST THREE YEARS,
WE'VE CONTINUED TO GROW
OUR HIGH MARGIN REVENUES,
AND SO, OUR OPERATIONAL
PROFITABILITY.

26.8%

DISHMAN'S EBITDA MARGIN FOR FY2019

Dear Shareholders,

It gives me immense pleasure to share with you an update on the overall performance of your Company in FY2019. Each year, I have the privilege of writing to you about the Dishman Group to recognise our accomplishments, address our challenges and share with you our plans for the future. Dishman has grown stronger over the course of the decade and is an exceptional company with a rich legacy and promising future.

Today, we stand as a fully integrated CRAMS player with strong capabilities across the value chain. We provide end-to-end high-value CRAMS offerings right from process research and development to late-stage clinical and commercial manufacturing. We are proud to have become the preferred outsourcing partner across several continents and countries and also to service a diverse customer base from all the key advanced markets including US, Europe and Asia.

We are leveraging on our key capabilities of possessing strong chemistry skills, low cost and flexible manufacturing processes, focused operations and our product portfolio. These capabilities have helped us in building a strong and

diverse customer base, scaling our CRAMS and marketable molecules business, and have helped us sustain high levels of profitability and better return ratios.

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.

Creating Ongoing Value

As we move ahead, we continue to focus on the improvement in operational profitability and high margin revenues. We have achieved efficient capacity utilisation at our manufacturing facilities by way of an enhanced product mix. This has been achieved through a keen focus on niche and complex products and have resulted in improved operating margins. We have a healthy pipeline of contract manufacturing opportunities that can soak up our growing manufacturing capacities across the world.

Going Forward

In the year ahead, we will continue to efficiently utilise our capacities and further sharpen our manufacturing capabilities with the purpose of achieving effective capacity realisation; improved order book conversion; and add higher levels of stability in our growth. We remain on course to meet our strategic targets and deliver sustainable results. We are confident that Dishman Group is well-placed to steer to higher altitudes in the future.



Janmejy R. Vyas
Chairman

We attribute our success to our people and all other stakeholders for their consistent commitment, engagement and encouragement in our journey over the years.

I would also express my gratitude for your ongoing trust and support, and on behalf of the entire Dishman Group across the world, I thank you for accompanying us on the exciting journey ahead. We will continuously seek and strive to do good, act better, and do what is best for us and society at large.

Sincerely,

Janmejy R. Vyas
Chairman

Global Managing Director's Message



Arpit Vyas
Global Managing Director

Dear Shareholders,

I am happy to communicate with you once again through our annual report. I am pleased to inform you that FY2019 was an excellent year for the Dishman Group, as we made significant progress across all our business verticals and strategic initiatives.

The year under consideration was marked by solid performance of our Company as a whole, both in our CRAMS and Marketable Molecules business. Our net revenues have been higher due to strong growth in the CRAMS and Vitamin D analogues business. We have a strong pipeline of products in Phase 3 development, which gives us a clear visibility for the future and is a result of our consistent efforts made over the years. After establishing a core profitability base, we are now aiming to step up our revenue growth momentum in the coming years.

Financial Profile

During FY2019, the CRAMS segment contributed 77% of our total revenue, while 23% of the revenue was contributed by the marketable molecules segment.

Our Revenue from Operations stood at ₹ 2,058.60 crore and EBITDA stood at ₹ 551.90 crore. The EBITDA margin for the year was 26.8%. We reported a Profit After Tax (PAT) of ₹ 210.33 crore as against ₹ 154.57 crore in the previous financial year. The PAT margin stood at 10.2% for the year under consideration. We have been sharpening our focus on profitability by scaling down low-margin products and focusing more on high-value niche offerings.

In the CRAMS business, CARBOGEN AMCIS AG demonstrated an exceptional performance with a revenue of ₹ 1,039.62 crore as against ₹ 973.33 crore, marking an increase of

₹ 551.9

CRORE
EBITDA FOR FY2019



WE CONTINUE TO SHARPEN
OUR FOCUS ON INCREASING
PROFITABILITY BY SCALING
DOWN LOW-MARGIN
PRODUCTS AND FOCUSING
MORE ON HIGH-VALUE,
NICHE OFFERINGS.

6.81% compared to the previous year. In the Marketable Molecules business, CARBOGEN AMCIS BV stood as the best performer, attaining a revenue of ₹ 271.76 crore in FY2019 as against a revenue of ₹ 196.26 crore, which is an increase of 38.5%.

Outlook

The Dishman Carbogen Amcis Group has a pipeline of orders exceeding US\$ 150 million, as on March 31, 2019 for FY2020. The order book for development projects at CARBOGEN AMCIS AG stands at around CHF 90 million, to be executed over FY2020. Our India order book of around US\$ 45 million comprises profitable and complex chemistry based projects from a diverse customer base and is mostly to be executed in FY2020.

We are extremely excited about our products pipeline and also for the new chemical molecules that were commercialised over the last 2-3 years and which are now showing market promise. Given these underlying opportunities, we are confident of healthy 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.

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

We continuously strive to be one of the most ethical companies in the world and keep on investing on innovation to make this world a better place to live in.

I am proud of the Dishman team for bringing us here. I am also grateful to the Board of Directors for their unwavering support and guidance. Standing at this juncture while remaining optimistic about the future, I would like to thank all our shareholders and partners for their continued trust and support in our Company.

Regards,

Arpit Vyas
Global Managing Director

Global Strategy Director's Message

39%

GROWTH IN OUR VITAMIN D IN FY2019



Mark Griffiths
Director (Global Marketing & Strategy)

Dear Shareholders,

FY2019 was a year of solid performance and meaningful progress for Dishman towards the overarching goal that we had set four years ago in the direction of building a strong business and to gain strong margins. It was a successful year as we grew our business; increased our profitability and advanced our key strategic initiatives for each of our businesses.

Today, we continue to leverage on our well-placed strategies that have helped us deliver complex solutions, which suits the diverse needs of our global customers. Our focus remains on helping our customers in developing new medicines and bringing the final products to the market. During the year under consideration, we demonstrated the stability of our business model and showcased the resilience with consistent top-line and bottom-line growth.

The legacy of our leadership is a tribute to the success and stability of Dishman, and to the belief in the importance of our purpose held in common with us by our shareholders over so many decades.

Our Outperforming Businesses

We believe that our CRAMS business will continue to be our main growth driver. It has enabled us to assist drug innovators in the development and optimisation of processes for new drug molecules. During the year, we focussed on our strategic priorities to enhance the efficiency and profitability of our operations. Year after year, we have developed strong capabilities across the CRAMS value chain, delivering complex end-to-end research and manufacturing solutions to our customers across the globe. Our CRAMS business is certainly the most popular platform among our clients, and we continue to grab robust business opportunities in this segment. In FY2019, our CRAMS revenue grew by 17.5% as against the previous financial year.

While we foresee a significant future in our CRAMS business, we are optimistic about the strong and durable performance of our Vitamin D analogues business, which

turned out to be extremely profitable for us on account of the change in the business strategy that was taken in Dishman Netherlands about five years ago. We are working towards extending our capabilities in Vitamin D and Vitamin D analogues and innovating new products. Our Vitamin D business performed remarkably well and grew by 39% during the financial year 2019. In the coming time, we will be working with certain specialised organisations that have a deep penetration into the European market for bulk Vitamin D3 and Vitamin D analogues, which continue to see steady growth. We will continue to innovate and find fresh opportunities within new analogues, while also optimising our manufacturing processes for the more voluminous Vitamin D products.


Capital Expansion

Our total capex on a full year basis for FY2019 was about ₹ 250 crore. We are looking at an average annual growth capex of ₹ 100 crore per annum over the next five years. In order to expand our capacities, we have invested in constructing new buildings as infrastructure to house our additional manufacturing and development facilities. To that end, we have spent a significant capex towards creating new HiPo development capabilities, that is already being populated with new projects.

In addition to this, our plans for Carbogen Amcis include undertaking additional developments and bolstering our manufacturing capacities. We are also planning for the next cycle of capital-intensive expansion post FY2020. We believe that this expansion will position us well for the future and keep fuelling our growth for the next decade.

Strategies Ahead

Going ahead, our key objective is to utilise all our assets to our customers' best advantage. We will continue to leverage on our fundamental strengths through continued innovation and excellence in both development and commercialisation. We are focusing on delivering quality products; on-boarding the right talent into our teams; and working individually with our customers. We are looking towards generating high-value profitability on the back



OUR PLANS FOR CARBOGEN
AMCIS INCLUDE UNDERTAKING
ADDITIONAL DEVELOPMENTS
AND BOLSTERING OUR
MANUFACTURING CAPACITIES.

of opportunities in CRAMS and optimising our product line in marketable molecules business. We will continue to strengthen our capabilities in CRAMS; innovate new product lines in the Marketable Molecules segment; spread our capabilities beyond the Oncology field; and address the introduction of new chemicals in the market.

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

I would like to thank all our customers, teams, investors, bankers, regulators and shareholders for their continued trust and support in the journey of Dishman Group.

Sincerely,

Mark Griffiths

Director (Global Marketing & Strategy)

Board of Directors



Mr. Janmejay R. Vyas
Chairman

Mr. Vyas promoted the erstwhile parent company Dishman Pharmaceuticals and Chemicals Ltd (DPCL) in 1983 with 16 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
Global Managing Director

Mr. Vyas has completed his Chemical Engineering degree from the University of Aston, Birmingham. He has gained a rich experience in the field of Marketing. He was first appointed as the Additional Director of the erstwhile DPCL; and thereafter as the Whole-time Director w.e.f. 1st June, 2009; then as Managing Director since 28th May, 2013 and also appointed as CFO w.e.f. 17th July, 2015. He later resigned as the CFO and was appointed as Global Managing Director w.e.f. 28th November 2018. 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 Marketing & Strategy)

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
Independent 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
Independent 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
Independent 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
Independent 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.



Ms. Maitri K. Mehta
Independent Director

Ms. Maitri Mehta is appointed as an Independent Director (Additional Director) of the Company w.e.f. 1st April, 2019. She is Cost Accountant by Profession and also holds a Master Degree in Business Administration with specialisation in Finance. She has experience of over 14 years as a Practicing Cost Accountant. She is also partner of the firm M/s. Kiran J Mehta & Co., Cost Accountants. She is also FELLOW member of Insurance Institute of India (FIII-Life). She is proficient in the field of Cost and Management Accountancy.

Continuing to Seek Superior Margins

WE CONTINUE TO PLACE EMPHASIS ON HAVING A STRONG ORDER BOOK WITH HIGH-VALUE ORDERS, AND TO HAVE A DEEP-ROOTED PRODUCT MIX OF NICHE AND COMPLEX PRODUCTS. OUR AIM IS TO CONSOLIDATE OUR CAPABILITIES AND OPTIMALLY UTILISE OUR EXISTING FACILITIES TO KEEP ENHANCING OUR MARGINS.

Over the years, we have shifted our attention to sustainable therapeutic areas and more niche molecules, where our profitability is perceptibly better as compared to other molecules. We continue to leverage on the opportunities with high returns in oncology, ophthalmology, cardio-vascular, CNS and drugs in the orphan category segment. We have also made good inroads into complex product segment, which bodes well for our oncology business and results in profitability enhancement. We are placing our concentration on generating high levels of profit by scaling down the products with lower spread.

24%

GROWTH IN EBITDA IN FY2019



WE HAVE MADE GOOD INROADS INTO COMPLEX PRODUCT SEGMENT, WHICH BODES WELL FOR OUR ONCOLOGY BUSINESS AND RESULTS IN PROFITABILITY ENHANCEMENT.

For FY2019, our EBITDA stood at ₹ 552 crore, which grew by 24% compared to the previous financial year. This is a result of our concerted efforts to increase the high-margin commercial and development orders. An emphasis on high-value orders and segments with higher contribution also helps us utilise our existing facilities more efficiently and optimally.

Our focus continues to be on consolidating our capabilities and creating sustainable value for stakeholders. Besides, our strong order book and optimum utilisation of our assets is also helping us to further improve our profitability. We continue to ensure an enhanced product mix of niche and complex products, resulting into better operating margins.

Moving ahead, we believe that an enhanced product mix, efficient capacity utilisation and commercial manufacturing of APIs for high margin products will bolster the bottom line of our business. We are further focusing on high spread products within the marketable molecules vertical in India. Our customer base, today, comprises 75% of small and mid-sized global pharmaceuticals and we are following a strategy of further widening and diversifying it. Being selective about our clients has led to moderation in our revenue growth, but has bolstered the consolidated operating profit margin of our company.

CRAMS – Our Mainstay Growth Driver

PROVING TO BE THE MOST POPULAR PLATFORM WITH OUR CLIENTS, OUR CRAMS BUSINESS CONTINUES TO BUILD STRENGTH AND SCALE.

We offer services across the CRAMS value chain – from process research and development to late-stage clinical and commercial manufacturing. Through our CRAMS business, we assist drug innovators in the development and optimisation of processes for novel drug molecules within various stages of their development process.

Performance of CRAMS

The quality profile of our CRAMS business has sustainably been sturdy over the years and continues to positively impact our overall business. For FY2019, the CRAMS business out of India grew by about 50% compared to the previous financial year. For the same period, the revenue from our overall CRAMS business grew by 17.5%, contributing more than 76% to our total revenues.

We utilised more than 25% capacity of our China facility, which majorly supports the Carbogen Amcis operations for production volumes.

50%

GROWTH IN INDIA CRAMS BUSINESS



Going Forward with CRAMS

We have a formidable pipeline with two new molecules approved during the year under review, while 16 more projects are close to approaching commercialisation. After establishing a core profitability base, we are well-positioned to grow our revenues over the coming years.

By FYE2019, we established a strong CRAMS order book of US\$ 150 million, while Carbogen Amcis confirmed a robust pipeline of CHF 115 million. The growth in this segment is influenced by certain key drivers, such as increase in the number of niche APIs for development projects; strong pipeline in Phase 3 – converting to commercialisation; oncology and other highly

potent compound that focus to get additional contracts especially for its HiPo facility; better utilisation of plants – especially in Shanghai; and a shift to high margin contracts. These drivers also differentiate us from other Indian CRAMS players.

We are confident that our CRAMS business will continue to act as the key revenue growth driver for Dishman in the times ahead. The global pharmaceutical and bio-pharmaceutical CRAMS market has been growing year on year. With an expanded capacity in place, we are strongly positioned to benefit from a revival in the global CRAMS industry.

Enhancing Stakeholder Value Through Our High Margin Vitamin D Business

WE HAVE GRADUALLY MIGRATED AWAY FROM THE FORMULATION OF LOW MARGIN VITAMIN D PRODUCTS, AND HAVE SWITCHED TO FORMULATING ANALOGUES WITH BETTER MARGINS WITHIN THIS CATEGORY. THE FINAL DRUG IS A HIGHLY CONCENTRATED VITAMIN D ANALOGUE, WITH A MORE DIVERSE RANGE OF USES.

We expect the marketable molecules business to grow on the back of increased demand for Vitamin D analogues. The strategy to shift from supplying Vitamin D3 500, to focusing on margin strong Vitamin D analogues, has bolstered our Vitamin D operating margins. In FY2019, our margins for this business escalated to 41%, compared to 20% in FY2015.

FY2019 was the year in which our focus on vitamin D analogues business started gaining traction, with about 38.5% year on year revenue growth. Driven by the introduction of new products and entry into new markets, we are optimistic about its growth prospects in the coming years.



41%

GROWTH IN VITAMIN D
OPERATING MARGIN IN FY2019



The sales of our Vitamin D analogues continue to pick up, triggering the growth of our marketable molecules business with respectable EBITDA contribution. With a focus on improving our value addition, we are aiming to forward integrate into the development and production of finished dosage formulations within this segment.

Serving Society is Core to Our Purpose

WE HAVE ALWAYS STAYED STRONG TO OUR COMMITMENT TO POSITIVELY IMPACT THE COMMUNITY AT LARGE. WE SEE CORPORATE SOCIAL RESPONSIBILITY (CSR) AS A CREATIVE OPPORTUNITY TO FUNDAMENTALLY STRENGTHEN OUR BUSINESS, WHILE CONTRIBUTING TO THE SOCIETY AND CREATING SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACT.



At Dishman, our aim is to serve humanity in several ways. We aim to make the lives of the weaker and underprivileged sections of society more sustainable. We believe that their betterment will lead to a brighter future for us as an organisation. Our CSR activities reflect our on-going commitment to innovation and sound business practices. Our motive is to help the socially and economically backward groups; the underprivileged and marginalised; and society at large.

Our Key CSR Activities:

Collaboration with “YUVA Unstoppable”

The charitable trust introduced a new project called “Digitising School Project and Smart Class Development Project” for developing smart classes in all municipal schools across India. With smart class education, the students can experience a transformation from holding

₹ 40 LAKH

CONTRIBUTED TOWARDS CSR INITIATIVES
IN FY2019



the slate and chalk to pen and paper to now a whole new concept of digitalisation. This product is developed as per government's guidelines and curriculum. It uses highly interactive graphical content delivered to the user through devices such as mobile phones, tablets and computers.

Towards this initiative, the Company has spent ₹ 25 lakh during FY2019.

Collaboration with “Shree Rajput Kelvani Sahayak Mandal, Palanpur”

Shree Rajput Kelvani Sahayak Mandal is an NGO, which is working towards ensuring educational, social and monetary growth of the youth. It also aims to create awareness of importance of education for females.

For this project, the Company has spent ₹ 15 lakh during FY2019 for “Constructing School and Hostels in Tribble Area”.



Our Key Strategies in Play

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.

NICHE MOLECULES UNDER DEVELOPMENT

Focus on the niche sustainable new chemical entities for development, which would cater to the unmet demand for such drugs. Enhancing the technical capabilities within the group and working on complex difficult to manufacture molecules

COMMERCIALISATION OF DEVELOPED MOLECULES

Entering into long term supply agreements for the molecules approved by regulatory agencies and commercially supplying these molecules focusing on quality of manufactured molecules

KEY THERAPEUTIC AREAS

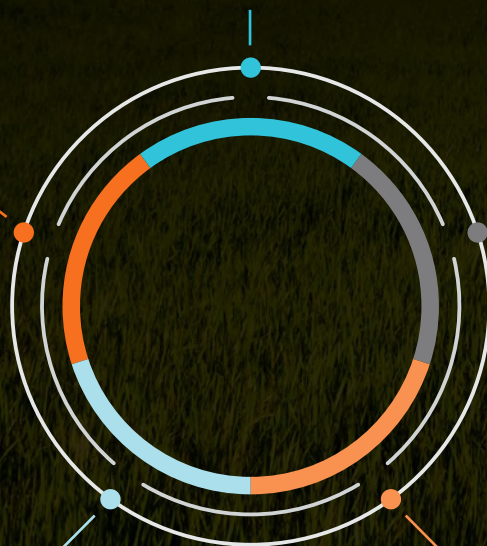
Looking out for molecules in key therapeutic areas such as oncology, cardiovascular, central nervous system, ophthalmology and drugs under the orphan category

ADDRESSING THE GROWING VITAMIN D MARKET

Forward integrating the existing Vitamin D segment into finished formulations for animal and human usage

CUSTOMER DIVERSIFICATION

Targeting the small and mid-sized global innovators along with the large pharma companies, thus reducing the overall customer concentration

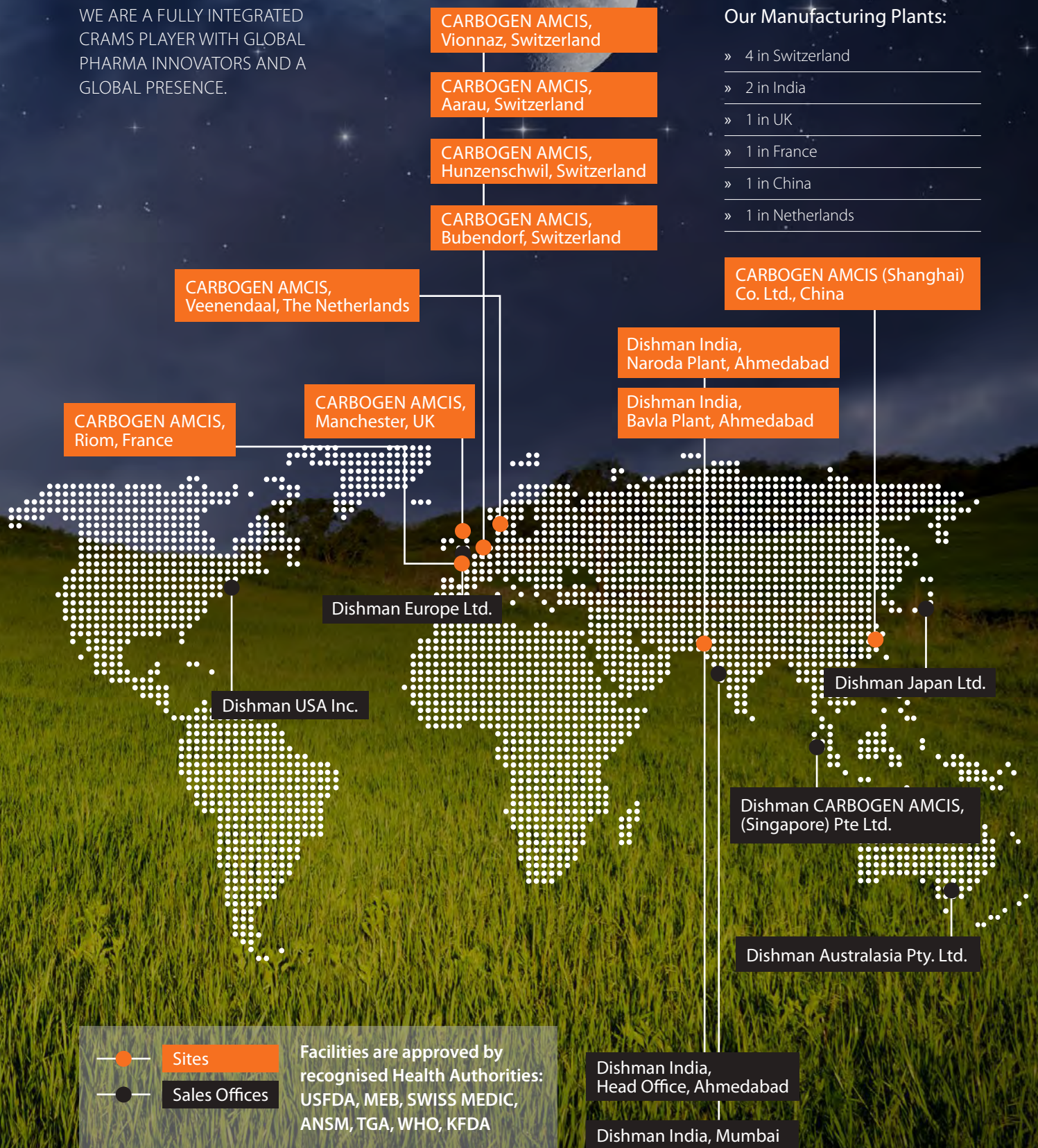


Our Global Footprints

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



Management Discussion & Analysis

THE RISING PREVALENCE OF CANCER AROUND THE WORLD AND HIGH UNMET MEDICAL NEEDS OF PATIENTS WITH CANCER ARE STIMULATORS FOR THE GROWTH OF THE CANCER IMMUNOTHERAPY MARKET.

Leadership Team

Global Team

Mr. Mark Griffiths
Director (Global Marketing & Strategy)

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

Mr. Harshil Dalal
Global Chief Financial Officer

Dr. Stephan Fritschi
VP (Operations)

India Team

Mr. Bharat Padia
Executive Director

Dr. Himani S. Dhotre
CEO (Projects & Operations)

Mr. Jayesh A. Shah
CEO (Production)

Mr. Paolo Armanino
Sr. VP (Unit 9)

Mr. Dharmesh Desai
GM (Secretarial & Legal)



Economic Overview

Global Economy

The Global Economic growth is projected to remain at 3% in the coming financial year. However, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could disturb economic activity and inflict significant damage on long-term development prospects. These risks include escalation of trade disputes, abrupt tightening of global financial conditions, and intensifying climate risks.

India Economy

India has emerged as the fastest growing major economy and is expected to be one of the top three economic powers of the world over the next 10-15 years, led by its strong democracy and burgeoning population. India's real Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2018-19 is estimated at ₹ 1,40,780 billion, showing a growth rate of 6.81%. The nominal GDP for 2018-19 is estimated at ₹ 1,90,100 billion, with growth rate of 11.20% against ₹ 1,70,950 billion for 2017-18¹. With an accelerating growth rate, India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. Its labour force is anticipated to touch 160-170 million by 2020, helped by an increase in the rate of population growth; a larger labour force participation; and higher education enrolment; amongst other factors, according to a study by The Associated Chambers of Commerce of India (ASSOCHAM). The interim Union Budget for 2019-20, announced on February 01, 2019, focuses on supporting farmers, economically less privileged population, workers in the unorganised sector, and salaried employees, while continuing the Government of India's thrust on better physical and social infrastructure.

¹ Ministry of Statistics and Programme Implementation (2018-2019)

² <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/02/pharma-outlook-2030-from-evolution-to-revolution.pdf>

³ <https://www.prnewswire.com/news-releases/global-cancer-immunotherapy-market-2019-2028-rising-rd-expenditure-in-the-immuno-oncology-segment-unmet-medical-needs-of-cancer-patients-driving-growth-300794276.html>

Industry Overview

Global Pharma Sector

Global health is poised to meet a series of key turning points, and changes seen in 2019, is marking 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 healthcare is changing.

Global spending on medicines reached \$1.2 trillion² in 2018 and is set to be just under \$1.3 trillion in 2019, also estimated to exceed \$1.5 trillion by 2023, with 4%-5% growth globally. According to healthcare reports by KPMG; amidst rising demand for healthcare and falling budgets, government and payers are exerting pressure to drive down prices. A recent example involves Netherlands. Not content with striking volume deals with major pharmaceuticals players, it is looking to utilise the power of the European Union to create even greater economies of scale.

By 2030, the sector is expected to be equipped with advanced technology for targeted therapies. Practitioners are also expected to be able to predict the likelihood of a patient being diagnosed with a disease or health condition, shifting the trend from the treatment of symptoms to prevention measures and complete cures, rather than providing temporary respite.

Source: KPMG Healthcare Report 2030.

Global Oncology Market 2019-2028

The "Global Cancer Immunotherapy Market: Focus on Pharmaceutical Products- Analysis and Forecast, 2018-2028"³ states that the global cancer immunotherapy market was valued at \$39.86 billion in 2017 and is anticipated to reach \$170.70 billion by 2028. The rising prevalence of cancer around the world and high unmet medical needs of patients with cancer are stimulators for the growth of the cancer immunotherapy market. In addition, the advancements in precision medicine for immuno-

oncology, and rise in expenditure by pharmaceutical companies on R&D for cancer treatments, are contributing to the rise in demand for cancer immunotherapy as a treatment for cancer. The global cancer immunotherapy market is segmented into three different parts: by products, by therapeutic indication, and by region. The global market value for cancer immunotherapy was estimated using these three different approaches and was validated against one another. These segments are further segmented according to market estimation.

These products have a novel mechanism of action that has revolutionised the cancer immunotherapy market. Based on therapeutic indication, the market can be classified into seven major cancer types, which include breast cancer, melanoma, non-small cell lung cancer (NSCLC), colorectal cancer, renal cell carcinoma, gastric cancer, and others.

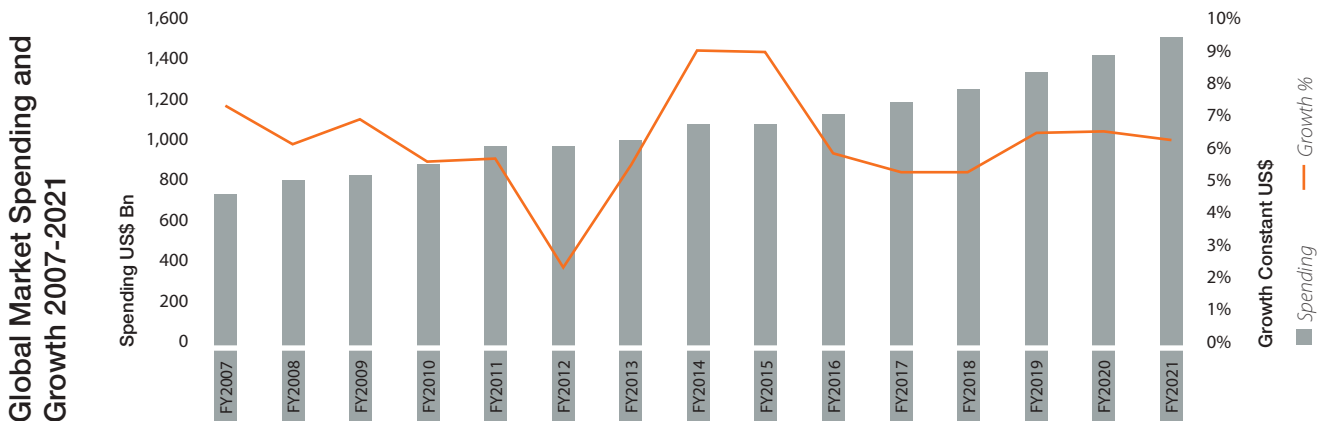
North America leads the market in terms of revenue, followed by Europe. Within North America, the U.S. generated almost 96% of the total revenue share, and the rest 4 % of the revenue was generated by Canada in 2017. Within Europe, Germany dominated the market in 2017 with a revenue share of 16.73%. However, the market for Asia-pacific region is expected to demonstrate the highest growth rate during the forecast period from 2018 to 2028, as compared to other regions.

Source: Global Cancer Immunotherapy Market: Analysis and Forecast 2018 - 2028

GLOBAL SPENDING ON MEDICINES WILL REACH NEARLY \$1.5 TRILLION IN 2021 GROWING AT 4-7%.

Global Medicine Expenditure

Global spending on medicines will reach nearly \$1.5 trillion in 2021 growing at 4-7%—only slightly slower than the 5.9% growth over the past five years. This growth is expected to be more uniform and predictable in nature. The last five years included two of the most unusual events in the history of the industry—the so-called “patent cliff” and the launch in quick succession of effective cures for Hepatitis C (Sovaldi and Harvoni). Soon, we expect to see the market growing at a more consistent rate but with much more attention focused on spending, growth and specifically pricing.



Source: IMS Market Prognosis, Sep 2016; QuintilesIMS Institute, Oct 2016

According to Global Use of Medicines survey of 2019, there has been a significant increase in the number of and spending on new active substances, particularly in the developed markets. During 2014 to 2018, the average spending on branded medicines was \$43.4 Billion. New products launching between 2019 and 2023 are expected to have a slightly higher overall level of spending, approximately \$45.8 Billion, probable to represent only 6.7% brand spending, down from 8.2% between 2014 to 2018.

China, Brazil, and India have the greatest medicine spending within the pharmaceutical markets. Turkey, Egypt and Pakistan are forecasted to have the greatest expenditure from 2019 to 2023. Global growth of medicines spending through 2023 are primarily driven by developed markets and adoption of innovative products.

According to Survey's conducted by Informatori.it , spending on medicines is expected to reach over \$600 Billion on an invoice basis in 2023, including spending in all channels (such as retail pharmacies, hospitals, doctors, and offices), and on all products types (such as small molecules, biologics, brands, generics, and biosimilars). Net manufacturer revenue growth in the U.S. market is expected to be 2-3% in 2019, down from a high of 10.3% and 9.1% in 2014, and 2015 respectively. A wide range of particularly important treatments are expected to be launched in 2019 and 2020, with the biggest impact of those launches in the following years to come.

Developed Markets

Regional Prescription Drug Sales: United States of America and Europe

The US pharmaceutical industry is highly globalised, dominated by multinational companies that engage in significant business activity in many countries, with products that are distributed and marketed worldwide. However, the pharmaceutical industry in this region is under scrutiny because of rapidly increasing expenditures for drugs in the United States. Drug expenditures are now the fastest-growing component of healthcare costs, increasing at the rate of about 15% per year.



Despite concerns about a trade war between the US and China, China is still viewed as a huge market opportunity for the pharmaceutical industry. China has a large population with a growing middle-class population, and it has become a leader in R&D innovation for medicine, particularly for regenerative medicine, and perhaps even gene editing based on the news from late 2018.

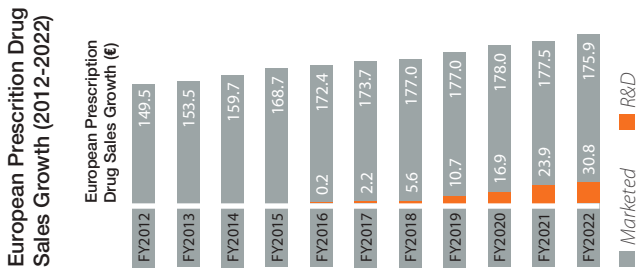
The market for pharmaceuticals is growing persistently. According to a current market report by the QuintilesIMS Institute, expenses for drugs will amount to US\$ 1.5 trillion globally in 2021. This equals an average annual growth rate of between 4-7% percent in medication expenses or 3% in doses. Despite political uncertainties regarding general healthcare, the U.S. will record the largest growth, while the so-called pharmerging markets will require about two-thirds of the entire drug volume.

The reasons for this growth are obvious: the global population is increasing by 1.24% per year until 2030 and ageing at the same time. All in all, the proportion of people aged 65 to 80 will rise to 28%, compared to 22% in 2000. Increasing urbanisation and a growing middle class are making drugs available and affordable for more people and lead to a higher demand for medication.

Europe

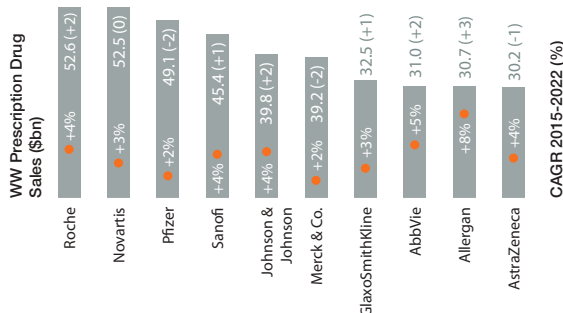
Medicine spending in Europe is expected to increase, from US\$ 151.8 billion in 2016 to US\$ 170–200 billion in 2021. Growth in the region is expected to change from 1% to 4% in 2021, as the U.K. grows at a rate of 4% to 7%, Italy and Spain grow at 1% to 4%, France tightly controls growth at 1–2% and Germany grows at 2-5%. 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.

Europe Total Market Growth (2015-2022)



Source: Quintiles IMS Global Outlook 2020

Worldwide Prescription Drug Sales in 2022: Top 10 Companies



Source: Evaluate Pharma Report 2020

Crams Industry – Global & India

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 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.

Source: International Journal of Pharmaceutical Sciences Review and Research

Challenges to Indian CRAMS Industry

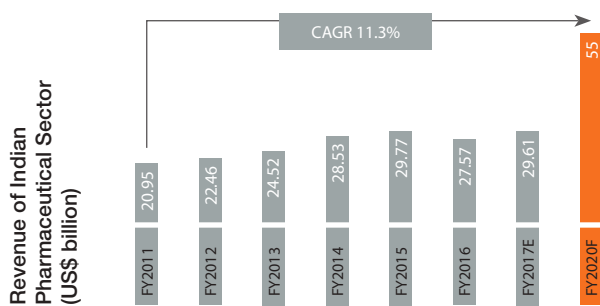
Regulation of drug manufacture and its processes and practices is carried out by the respective Food and Drug Administration Departments at the state level. Due to lack of a unified single Central authority, the enforcement of laws tends to vary from state to state. Such a regulatory framework is inconsistent 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 biomedical.

Growth in Indian CRAMS Industry

The Indian pharmaceutical sector is estimated to account for 3.1–3.6% of the global pharmaceutical industry in value terms and 10% in volume terms. India accounts for 20% of global exports in generics. India's pharmaceutical exports stood at US\$ 26.84 billion in 2017-18 and are expected to reach US\$ 30 billion by 2020. During April – September 2018, India exported pharmaceutical products worth ₹ 511.3 billion. The country's pharmaceutical industry is expected to expand at a CAGR of 13.89% over 2015–20 to

reach US\$ 65 billion. India is the second largest contributor of global biotech and pharmaceutical workforce. The Indian healthcare sector, one of the fastest growing sectors, is expected to cross US\$ 472 billion by 2022. The generics market stood at US\$ 36.1 billion in 2017-18. India's generics market has immense potential for growth. By 2024-25, India's biotech industry is estimated to increase to US\$ 170 billion in FY2019-21. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of middle-class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

BY 2020, INDIA IS LIKELY TO BE AMONG THE TOP THREE PHARMACEUTICAL MARKETS BY INCREMENTAL GROWTH AND 6TH LARGEST MARKET GLOBALLY IN ABSOLUTE SIZE.



Source: International Journal of Pharmaceutical Sciences Review and Research Report 2020

Indian CRAMs Market

The Indian Contract Research and Manufacturing Services (CRAMS) players are expected to register strong growth rate of 20% to 27% CAGR to touch US\$ 25 billion size by 2021. According to a report by Care Ratings, this would be achieved on the US market and US\$ 105 billion off-patent drug opportunity by 2022. 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



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.

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.

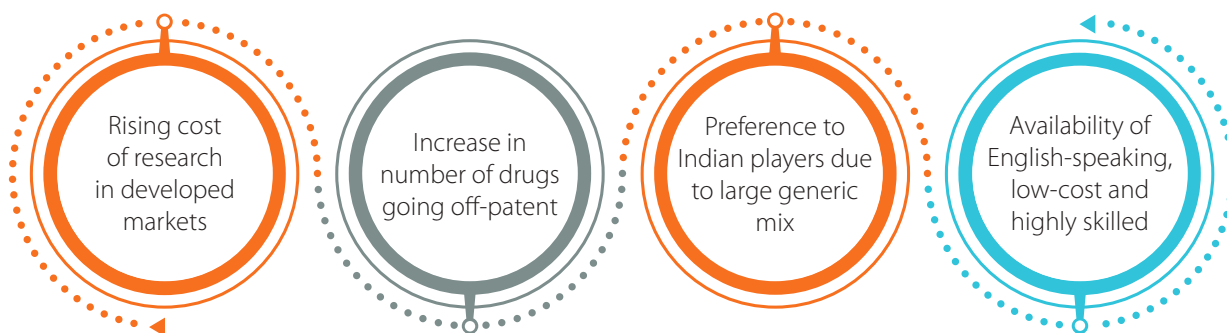
Global Pharma and Technology

An increasing number of pharmaceutical firms and indeed, medical device companies, are partnering and integrating with technology businesses. In a bid to tackle the huge and rising plight of diabetes, Sanofi and Verily, the life sciences unit of Google parent Alphabet, announced in September 2016, that they would invest approx. US\$500 Million in a joint venture to combine devices, software and medicine.

Software is becoming more and more important in everyday lives, and healthcare is no exception. A recent pharma tech alliance between Varian Medical Systems and Flatiron Health aims to develop cloud-based, electronic health records, data analytics and decision support software geared towards oncology patients.

Genetics: Genetics has moved forward with real pace in recent years, with gene editing fuelling a new wave of potential applications to aid both prevention and real cures. The leading genomics firms are essentially biotech players, acting either independently or through collaboration. In the coming decades, gene editing could revolutionise the treatment of different diseases such as neurological disorders or cancers. This approach enables healthcare providers to alter/replace the problematic gene, to produce a new therapeutic protein or "silence" mutant cells. A few neurological disorders are benefiting from

Why is India the preferred place for Contract Manufacturing:



Source: International Journal of Pharmaceutical Sciences Review and Research – India Outlook and Care Ratings India Report

these advances, like Alzheimer's, Parkinson's, Huntington's, and strokes.

Immunotherapy: Many companies are focusing on developing immunotherapies, either independently or in collaboration with big pharmaceutical players, to treat and, ultimately, to prevent diseases. Immunotherapy based drugs are increasingly being used for treatment of various cancers, but companies are also exploring their use in the treatment of various cancers, but companies are also exploring their use in the treatment and prevention of other chronic conditions like diabetes, cardiovascular diseases, Parkinson's and Multiple Sclerosis. For example, Cardiovox, a US based biotech company, is developing immunotherapies to treat and prevent cardiovascular diseases such as atherosclerosis. These therapies may potentially be used to predict the risk of cardiac attacks.

Pharma Tech

According to recent study by KPMG, on Pharma Sector 2030, number of pharmaceutical companies are starting to recognise the impact of downward pressure on pricing and the move towards prevention, diagnosis, and real cures. These changes are upsetting the established order, opening opportunities to new competition, and forcing companies to rethink where they play – and who they play with, requiring a growing emphasis on collaboration and partnership. Among others, there are three new response to disruption – pharma tech, genetics, and immunotherapy.

Cancer immunotherapies have evolved significantly, and numerous products have been introduced in the market. Many cancer immunotherapies are being tested in clinical trials for identification of their pharmacological and commercialisation potential. Novel cancer immunotherapies are at different stages of clinical trials which would be introduced in coming years in global market. They could be broadly divided in two classes: specific and non-specific cancer immunotherapy. Basis of this classification is their ability to identify specific antigen related to malignancy. Modality used for developing them may be different but all of them will involve the activation of immune system for elimination of cancer. In

some cases, overlapping boundaries may be found which is quite possible because single cancer immunotherapy may have multiple effects. Cancer immunotherapeutic segment seems to be quite dynamic as it has received highly developed products which are absent in other cancer therapeutic category. This category has large number of products belonging to different categories resulting in myriad choices for patients to choose suitable products according to their necessities. They have been able to create dominance in cancer market segment of pharmaceutical industry that is expected to be continued for several years. Some of the products belonging to cancer immunotherapy were introduced few decades ago, while others have received marketing approval in past few years.

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 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, and India.

THE DISHMAN GROUP IS A GLOBAL AND INTEGRATED CRAMS PLAYER WITH STRONG CAPABILITIES ACROSS THE VALUE CHAIN – FROM RESEARCH AND DEVELOPMENT, TO LATE STAGE CLINICAL AND COMMERCIAL MANUFACTURING.

WE ARE THE FIRST CRAMS COMPANY IN INDIA TO BRING A NEW CHEMICAL ENTITY INTO INDIA FOR SUCCESSFUL DEVELOPMENT AND COMMERCIAL MANUFACTURING.

We render services to our customers from all the key advanced markets including US, Europe and Asia. We specialise in strong chemistry skills and large-scale multi-purpose manufacturing capacities, with a wide range of research competencies and 10 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.

The HiPo facility at Bavla, India, is one of the largest facilities in Asia, and enables us to gain from the high margin HiPo molecules, opportunity in the oncology space and other highly potent compounds. We began our journey as a manufacturer of quaternary ammonium and phosphate compounds, and eventually 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 are the first CRAMS company 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 and greenfield projects over

the last 13 years has yielded us rich dividends in terms of the exceptional talent pool and unparalleled operational excellence.

Our Business Verticals

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.

1 Active Pharmaceutical Ingredients

2 High Potent API's

3 Intermediates

4 Phase Transfer Catalysts

5 Vitamin D

6 Vitamin Danalogues

7 Cholesterol

8 Lanolin-Related Products

9 Disinfectant Formulations

Contract Research And Manufacturing Services

Our principal lines of business is Contract Research and Manufacturing Services (CRAMS) and Marketable Molecules, for example, our bulk drugs, intermediates, and quaternary ammonium compounds (quats). We are a CRAMS player with strong capabilities across the value chain. Our CRAMS business assists drug innovators in development and optimisation of processes for novel drug molecules in various stages of the development process.

Once the innovative molecules have passed the test and are ready to go out in the market, this segment explores the possibility of possible large-scale commercial supply tie-ups. We provide end-to-end high-quality CRAMS offerings from process research and development to late-stage clinical and commercial manufacturing DCAL supports its customers along the entire APIs value chain. CRAMS segment contributes nearly 77% to our total revenues. With our unprecedented experience, specialised skills and capacity in place, we are strongly placed to benefit from a significant upside potential in the global CRAMS industry.

A. Carbogen Amcis

CARBOGEN AMCIS is a leader in portfolio of drug development and commercialisation services to the pharmaceutical and biopharmaceutical industries at all stages of drug development. Our specialised services for Drug Substances (DS) and Drug Products (DP) provide innovative solutions to support timely and safe drug development. Our operations are conducted out of Dishman Group facilities in India 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 both non-potent and 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. 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 operations housed in Riom (France) offers specialised cGMP manufacturing for liquid or freeze-dried products including drug delivery, highly potent and antibody drug conjugates (ADC). A wide range of filling volumes and packaging components (vials or syringes) are applied to pre-clinical and clinical studies all over the world. Formulation, process development and upscaling services for liquid and frozen-dried products are also part of our service offering.

We have successfully finished numerous drug linker projects. Since the beginning of 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 manufacturing to drug-linker, then to conjugation and final drug product all in house. Our clean room suites are fully equipped for cGMP manufacturing dedicated to bio-conjugation. To compliment this, we have our state-of-the-art purification technologies and exceptional analytical/fill-and finish capabilities.

B. Dishman India

Dishman India is a global outsourcing partner for the pharmaceutical industry offering a portfolio of development, scale-up and manufacturing services. Dishman renders services to its customers businesses by providing 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 specialised research and development services in developing processes that are truly scalable through to commercialisation, be this through process



research, process development or optimisation. We have a complete household of expert staff operating in continuous three shifts, with R&D operations 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.

Marketable Molecules

a. Specialty Chemicals

Dishman Speciality Chemicals had a long association with manufacture and supply of Quaternary ammonium compounds (Quats) for use as phase transfer catalysts. Our expertise in solids handling technology has enabled us to expand our offer to include ammonium and phosphonium high purity solid Quats, Phosphoranes and Wittig reagents. These products find applications as phase transfer catalysts, personal care ingredients, fine chemicals, pharma intermediates and disinfectants. A number of our products are made under GMP manufacturing conditions at our Naroda facility in India. Furthermore, we maintain local stocks of select products in Europe and in the US.

Dishman Speciality Chemicals has significant expertise in providing tailor made solutions. We welcome the opportunity to supply our customers with one of our quality products or to assist the customers on the next project with our world class manufacturing expertise, logistics and competitive pricing.

b. Vitamins and Analogues

Chemically, this Vitamin refers to a group of fat-soluble secosteroids, needed for calcium absorption from the intestinal tract, and for the regulation of blood phosphorus levels, which are essential to grow and maintain strong and healthy bones. Indeed, Vitamin D play a vital role in brain development, muscle function, maintaining a healthy respiratory and immune system, optimal cardiac function. It also strengthens our bodies to resist illnesses such as diabetes, asthma, chronic pains, cancer, infections, multiple sclerosis, psoriasis, depression and much more. However, if there is a Vitamin D deficiency, then it leads to bone disorders such as rickets, osteomalacia and osteoporosis in adults as well as children, alike. Therefore, its presence is a ray of hope to live with an elevated sense of well-being and that is why it is also known as the 'sunshine vitamin'.

Vitamin D, which is ideally present in inactive form in the human body, gets activated in the presence of sunlight to process the release of Calcifediol. This Calcifediol is then metabolised in the kidney to release Calcitriol which is further absorbed by the intestine, kidney and bones. Following this, the bones mobilise the secretion of Calcium and Phosphate in the parathyroid gland to maintain the optimum balance of these elements, prerequisite for strong bones.

Functioning as the global outsourcing partner for other pharmaceutical companies; aiding them in development and scale-up production via its high potency supply of compounds; Dishman first realised the need of the hour with Vitamin D because of its elaborate research on its therapeutic uses that covers wide range of medical conditions. Crucial for every life stage, Vitamin D forms the essence of human

health. Hence, keeping wellness as our primary objective, we acquired Solvay Pharmaceuticals' Veenendaal, Netherlands plant. This specially focused on manufacturing cholesterol, serving as a precursor to vitamin D & its analogues.

As a multifaceted organisation with a high degree groundwork, we established greener processes to manufacture in a budgeted environment. Hence, we ensure the extraction of this cholesterol from sheep wool, making it a vegan source required to form a strong base for the formulations. Gradually, with a steadfast strategy, entrepreneurial spirit and a rising demand for the application of this raw material in various sectors: as a natural course towards the extension of existing and acquired business, we forayed into developing a wide spectrum of products for the pharmaceutical, nutraceutical and holistic animal nutrition verticals of Vitamin D3. This derivative if taken in the right quantity, can cure to the roots of many diseases, resulting in complete wellbeing.

In the pursuit of developing a world-wide circuit in the supply of Vitamins and its analogues, Dishman has initiated the establishment of WHO-cGMP compliant fully integrated manufacturing unit, at Bavla, based in Gujarat, India, which will also be a ISO 9001:2015 certified. Its core lies in its CRAMs model capabilities that umbrellas an entire gamut of services from production of raw materials to developing the final products as well as market the same. This lead us running in the forefront with the capacity to manufacture 1000 MT annually and simultaneously catering to specifically engineered requirements of our clients, all at one place.

c. Disinfectants

We have a range of hand and body wash, sanitisers and antiseptics, apart from its active pharmaceutical ingredients and formulations businesses. We offer a range of Antiseptics and Disinfectants for application in healthcare and related industries. 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.

d. Generic APIs

Dishman has remained focused on its changed strategy around generic APIs where it plans to develop and manufacture niche generic APIs. The Company is working on development of certain generic molecules, which could be potentially profitable for the Company. We are putting in efforts to capture a larger market share of the profitable generic APIs where we have filed the Drug Master Filings or other regulatory filings. The Company will continue to file for such molecules in the future as well and strive to increase the proportion of these molecules in the marketable molecules business segment.

**WE HAVE FORAYED INTO
DEVELOPING A WIDE
SPECTRUM OF PRODUCTS
FOR THE PHARMACEUTICAL,
NUTRACEUTICAL AND HOLISTIC
ANIMAL NUTRITION VERTICALS
OF VITAMIN D3.**

THE DISHMAN BRAND IS PERCEIVED BY GLOBAL CUSTOMERS AS A PREFERRED GLOBAL OUTSOURCING PARTNER WITH CAPABILITIES ACROSS THE ENTIRE CRAMS VALUE CHAIN.

Our Competitive Strengths

A. Capabilities across the entire CRAMS value chain

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

B. High Potency API Capability

The Dishman Group has invested in world class capabilities to address the oncology and such other highly potent compound therapy markets. 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-line and bottom-line growth. The Group has a strongly differentiated set of capabilities in the HiPo API arena with pre-clinical API, phase 1/phase 2/phase 3 and commercial API and up to clinical Ph2 parenteral dosage form capabilities. All these capabilities remain in house and underwritten by a consolidated project management capability to take customers from pre-clinical stages through to commercial manufacturing of APIs, right through to formulated products.

C. 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 customized 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

Our Presence along the Value Chain



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.

Crystallization 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 crystallization investigations including solubility tests, salt screening, and optimization of the crystallization 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 characterization including hot stage microscopy, differential scanning calorimetry, Dynamic Vapor Sorption (DVS) and x-ray powder diffraction.

D. Class 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. CARBOGEN AMCIS delivers leading process research services that support the drug development process. Early Active Pharmaceutical Ingredient (API) manufacture centres 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 optimize 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 crystallization services, and analytical support for physicochemical characterization 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 injectables 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.



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.

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.

Recent Developments In the Company

The quarter ended March 31, 2019 was our strongest quarter for Dishman ever in the history, and this is a significant achievement by the entire team of Dishman Carbogen Amcis. The revenue for the company grew by about 21% from ₹ 1,695 crores to ₹ 2,058 crores. The EBITDA for the year was ₹ 552 crores which is a growth of about 24% as compared to what we achieved last year which was ₹ 445 crores. The profit after tax was ₹ 210 crores which equates to about 10% of our consolidated revenue which last year was ₹ 155 crores. This was an improvement by 36% over the last financial year.

Carbogen Amcis grew by about 31% in the last quarter as compared to the last year same quarter and on a full year basis it grew by about 7%. Our Vitamin D business that is

carried out of Netherlands grew by 39% in FY2019. The increase in the revenue in India and Carbogen Amcis was driven because of the large amount of commercial orders that were supplied in the fourth quarter. The Netherlands business saw significant orders serviced for cholesterol product line as well as analogues.

There have been several very interesting developments in line with the guidance that we have been giving you over the year. Certainly, our CRAMS platform seems to be very popular still with our clients and we continue to win good work of business. Our quality profile in the CRAMS area has been very strong. We continue to bring molecules at an early phase development into late phase and commercialisation for our clients, and that is continuing to positively impact the business. We expect certain significant molecules of our customers to get approval over the next 12 to 24 months.

Source: Company Website, BSE _ Investor Presentation, Annual Reports Last 3 years

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.

We have been focusing on irradiation chemistry and related products for the past 3 years, in the last year, we made significant progress on this range of products. We have been very successful in optimizing the upstream chemistry which has helped us to improve the mass balance as well as reduce wastes. New irradiation equipment has been installed for niche vitamin D analogues.

We have filed DMF for one analogue and the other products will follow soon.

We continue to invest in our R&D and analytical capabilities. This has helped us to win new CRAMS projects as customers get full service under one roof.

In the last two years, Dishman has developed 4 new disinfectant actives. These are showing excellent anti-microbial efficacy. Additional trials are underway at globally reputed centres.

With the expanded capacity of disinfectant products, now Dishman will focus on institutional business for these disinfectant products.

We have continued to work on innovative processes for generic APIs. We have been granted two patents last year. Few more patents are filed.

We have developed processes for 5 CNS stimulants. These are under process validation now and we expect the ASMF to be ready within a year.

The Company has completed phase I of development capacity expansion in its new building that it acquired in Switzerland, which would help it to de-bottleneck development capacity constraints in the near to mid-term.

Our soft gel pilot plant is fully operational and is being used for CRAMS as well as own products. We expect to file few dossiers soon. The large-scale manufacturing facility is under commissioning and will be fully operational by Q3 2019.

Financial Overview

Business Highlights (Consolidated)

Particulars	FY2019	FY2018	Growth (%)
Net Sales & Operating Income	2,058.60	1,694.79	21.47%
Other Income	53.82	45.69	17.79%
Total Income	2,112.42	1,740.48	21.37%
EBITDA (without other income)	551.90	445.35	23.93%
Depreciation	240.38	211.42	13.70%
PBIT	365.34	279.62	30.66%
Interest & other Finance charges	56.55	48.83	15.81%
Profit Before Tax	308.79	230.79	33.80%
Tax Expense	98.46	76.22	29.19%
Profit after Tax	210.32	154.57	36.07%
Cash Profit	450.71	365.99	23.15%

During the year, the operating income has gone up to ₹ 2,058.60 crore compared ₹ 1,694.79 crore resulting a growth of 21.47%. CRAMS segment registered a turnover of ₹ 1609.41 crore compared to ₹ 1293.69 crore during the previous year. Others segment which includes Vitamin D, bulk drugs, intermediates, Quats and specialty chemicals and outsourced/traded goods registered growth at ₹ 449.19 crore, against ₹ 401.10 crore in the previous year.

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

CRAMS IS OUR LARGEST BUSINESS SEGMENT WHICH CATERES TO THE REQUIREMENTS OF MULTI-NATIONAL PHARMACEUTICAL COMPANIES INTERNATIONALLY. WE DEVELOP INTERMEDIATES/ APIS BASED ON OUR CUSTOMER'S REQUEST.

spearheading our R&D efforts. Around ₹ 1,609.41 of our consolidated operating income is generated from CRAMS segment.

Others segment (which includes bulk drugs, intermediates, speciality chemicals, Vitamin D and outsourced/trade goods) contributed around 449.19 of consolidated operating income in 2018-2019. Out of ₹ 2,058.60 crore (previous year ₹ 1,694.79) sales, CARBOGEN AMCIS has accounted for sales of ₹ 1039.62 crore (previous year ₹ 973.33 crore), Vitamin D has accounted for sales of ₹ 271.76 crore (previous year ₹ 196.26 crore) and CARBOGEN UK Ltd. accounted for sales of ₹ 90.55 crore (previous year ₹ 49.55 crore). Remaining sales of ₹ 656.67 crore (previous year ₹ 475.65 crore) was accounted by Dishman Carbogen Amcis Limited and its marketing subsidiaries.

Material Costs

- » Raw material consumption for the year was ₹ 403.78 Crore, as against ₹ 336.93 crore in the previous year.
- » Inventory of raw materials increased by ₹ 89.83 crore during the year.
- » Work in process decreased by ₹ 53.93 crore and finished goods increased by ₹ 28.16 crore.

Manufacturing Expenses

- » Manufacturing expenses mainly comprise Power and Fuel ₹ 56.14 crore and Repairs and Maintenance ₹ 86.92 crore. This was ₹ 48.33 crore and ₹ 62.98 crore, respectively, in the previous year.
- » Our Manufacturing Expenses accounted for 8.10% of sales during the year, as against 7.64% during the previous year.

Administrative, Selling and Other Expenses

- » Our major components of administrative, selling and other expenses include rent, rates and taxes, legal and professional charges, clearing and forwarding, travelling and conveyance, and insurance premium, among others.
- » Administrative, selling and other expenses for the year amounted to ₹ 217.20 crore as against ₹ 155.09 crore during the previous year. These expenses accounted for 10.28% of sales during the year, as against 8.03% during the previous year.

Employee Emoluments

- » Employee emoluments increased ₹ 714.64 crore during the year, as against ₹ 625.40 crore during the previous year.



Interest and Finance Charges

- » Interest and Finance charges during the year increased to ₹ 56.55 crore, as against ₹ 48.83 crore during the previous year.

Depreciation

- » Depreciation charges for the current year amounted to ₹ 139.42 crore, as against ₹ 118.54 crore during the previous year
- » Total amortisation charges for the current year stood at ₹ 100.96 crore, as against ₹ 92.88 crore in the previous year.
- » Addition to fixed assets during the year was ₹ 258.18 crore, as against ₹ 239.57 crore during the previous year.

Provision for Tax

- » ₹ 98.47 crore (net of MAT entitlement) was provided during the year towards current tax, as against ₹ 76.21 crore during the previous year. The Company has provided provision for deferred tax of ₹ 9.40 crore during the year, as against deferred tax expense of ₹ 27.50 crore during the previous year.

Profit After Tax

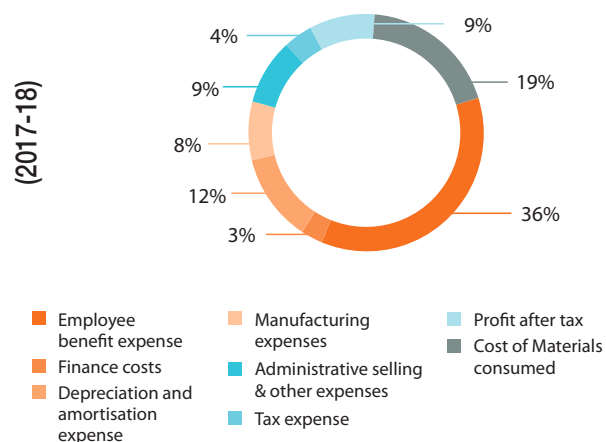
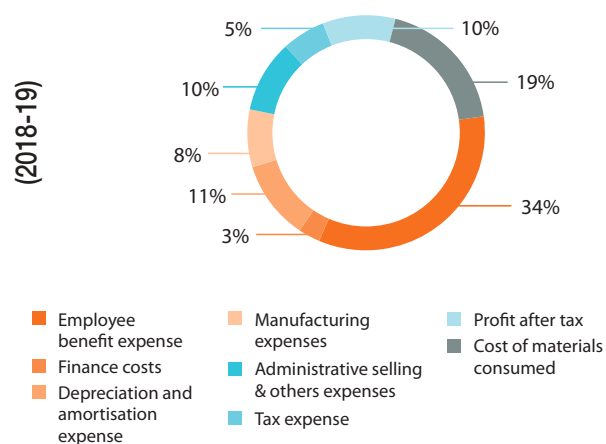
- » Net Profit after Tax for the current year was ₹ 210.33 crore, as against ₹ 154.57 crore during the previous year.
- » Cash Profit After Tax for the current year ₹ 450.71 crore, as against ₹ 365.99 crore in the previous year.

OUR WHOLLY OWNED SUBSIDIARY CARBOGEN AMCIS LOCATED IN SWITZERLAND IS SPEARHEADING OUR R&D EFFORTS.

Earnings Per Share

- » Basic Earnings Per Share for the current year works out to ₹ 13.03, as against ₹ 9.58 during the previous year.
- » Cash Earnings Per Share for the current year works out to ₹ 27.93, as against ₹ 24.00 in the previous year.

Composition of Expenses and Profit (% of Consolidated Revenue)



THE COMPANY CONTINUALLY UPGRADES INTERNAL CONTROL SYSTEM BY ADDING BETTER PROCESS CONTROL, VARIOUS AUDIT TRAILS AND USE OF EXTERNAL MANAGEMENT ASSURANCE SERVICES.

Financial Condition

(i) Secured Loans

Secured loans stood at ₹ 936.97 crore as at March 31, 2019 as against ₹ 939.95 crore as at March 31, 2018.

(ii) Unsecured Loans

Unsecured loans stood at ₹ 105.20 crore as at March 31, 2019 as against ₹ 154.87 crore as at March 31, 2018.

(iii) Inventories

(₹ in crore)

Particulars	March 31 st , 2019	March 31 st , 2018
Raw Materials	178.91	89.08
Work in Progress	218.12	272.05
Finished Goods	151.59	123.43

(iv) Debtors

Debtors as of March 31, 2019 amounted to ₹ 445.30 crore, as against ₹ 444.40 crore at the end of March 31, 2018.

(v) Cash and Bank Balance

Cash and Bank Balance as on March 31, 2019 is ₹ 95.67 crore, as against ₹ 69.06 crore as on March 31, 2018.

(vi) Creditors

Creditors as of March 31, 2019 were ₹ 194.57 crore as compared to ₹ 185.92 crore as at March 31, 2018.

Segment-wise and Product-wise Performance

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:

Product Segment	March 31 st , 2019	March 31 st , 2018	March 31 st , 2017
CRAMS*	1,609.41	1,293.69	1,259.60
Others	449.19	401.10	454.08
Total	2,058.60	1,694.79	1,713.68

*Including other operating income

Key Financial Ratios:

On Standalone Basis:

Particulars	FY 2018-19	FY 2017-18	Change (%)
Debtors turnover	4.07	4.49	9.47
Inventory turnover	2.52	2.68	(5.93)
Interest coverage ratio	2.72	2.76	(1.32)
Current ratio	1.40	1.45	(3.21)
Debt equity ratio*	0.086	0.094	(8.70)
Operating profit margin (%)	35.27%	35.05%	0.62
Net profit margin (%)**	10.19%	7.81%	30.47
Return on Net Worth***	2.96%	2.39%	23.63

*Debt is calculated after deducting cash and cash equivalent, bank balance and investments in marketable securities from gross debt

**Improvement in net profit due to growth in CRAMS business

***Net worth is calculated after excluding goodwill on account of Merger from total net worth

***Amortisation on goodwill has been added back net off effective tax to PAT for calculating net income

On Consolidated Basis:

Particulars	FY 2018-19	FY 2017-18	Change (%)
Debtors turnover	4.63	4.64	0.34
Inventory turnover	2.96	3.07	(3.54)
Interest coverage ratio	6.46	5.73	12.82%
Current ratio	1.30	1.31	(1.25)
Debt equity ratio*	0.154	0.171	(10.10)
Operating profit margin (%)	26.81%	26.28%	2.02%
Net profit margin (%)	10.22%	9.12%	12.03%
Return on Net Worth**	14.19%	13.17%	7.80%

*Debt is calculated after deducting cash and cash equivalent, bank balance and investments in marketable securities from gross debt

**Net worth is calculated after excluding Goodwill on account of consolidation from total net worth

**Amortisation on goodwill has been added back net off effective tax to PAT for calculating net income

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

WE HAVE IMPLEMENTED AN INTEGRATED RISK MANAGEMENT FRAMEWORK TO IDENTIFY, ASSESS, PRIORITISE, MANAGE/MITIGATE, MONITOR AND COMMUNICATE THE RISK ACROSS THE COMPANY.



WE CONTINUED TO TAKE INITIATIVES IN REDUCING OUR COSTS BY EMPLOYING LEAN MANUFACTURING TECHNIQUES & RESOURCE MANAGEMENT INITIATIVES AND BROADENING THE PRODUCT BASE.

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 deliberation, appropriate strategies are made for managing/mitigating the risks. The Company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies. Audit Committee advises the Board on matters of significant concerns for redressal.

Opportunities and Threats

Most of the innovator companies are facing challenge of depleting research pipeline and losing patent protection for their blockbuster drugs in the next few years. The new drug discovery process is also becoming more difficult with reducing success probabilities and increasing research and development costs. This has opened up opportunities to CRAMS players from low cost destinations like India. Dishman has identified this opportunity very early and started working with innovators with customs synthesis projects and contract manufacturing of APIs, which result into overall growth in the 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. 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 behavioural skills to ensure achievement of our short and long-term objectives. The Company, as on March 31, 2019, had 943 employees on its rolls. 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 entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Dishman Carbogen Amcis Limited's Annual Report, FY2019.

Notice

NOTICE is hereby given that the **12th Annual General Meeting** of the Members of **DISHMAN CARBOGEN AMCIS LIMITED** [formerly Carbogen Amcis (India) Ltd.] will be held on **Tuesday, the 24th September, 2019 at 11:00 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:
 - (a) the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon.
2. To declare Dividend on Equity Shares of the Company for the Financial Year 2018-19.
3. To appoint a Director in place of Mr. Mark Griffiths (DIN 06981744) who retires by rotation and being eligible, offer himself for reappointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** for Appointment of Ms. Maitri K. Mehta (DIN 07549243) as a Regular Director in Independent Director category, not liable to retire by rotation, for first term of five (5) consecutive years with effect from 1st April, 2019:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), Ms. Maitri K. Mehta (DIN 07549243), who was appointed as an Additional and Independent Director of the Company by the Board of Directors w.e.f. 1st April, 2019 and who has submitted the declaration that she meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a Member proposing her candidature for the office of the Independent Director of the Company, be and is hereby appointed as a Regular Director in Independent Director category, not liable to retire by rotation and to hold office for a first term of five (5) consecutive years for a term up to 31st March, 2024."
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**, to re-appoint Mr. Subir Kumar Das (DIN 02237356) as an Independent Director for a second term of five (5) consecutive years:
"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. Subir Kumar Das (DIN 02237356), who was appointed as an Independent Director and who holds office as an Independent Director up to 14th December, 2019 and in respect of whom the Company has received a notice in writing, from a Member proposing his candidature for the office of the Independent Director of the Company and Mr. Subir Kumar Das has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and being eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, 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 w.e.f. 15th December, 2019 up to 14th December, 2024."

Notice (Contd.)

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**, to re-appoint Rajendra S. Shah (DIN 00061922) as an Independent Director for a second term of five (5) consecutive years:

“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 (“Act”) 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. Rajendra S. Shah (DIN 00061922), who was appointed as an Independent Director and who holds office as an Independent Director up to 1st April, 2020 and in respect of whom the Company has received a notice in writing, from a Member proposing his candidature for the office of the Independent Director of the Company and Mr. Rajendra S. Shah has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and being eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, 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. w.e.f. 2nd April, 2020 up to 1st April, 2025.”

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions if any, of the Act and applicable Rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the Members be and is hereby accorded to Mr. Rajendra S. Shah, who will attain the age of seventy five years on 1st February, 2023, to continue as an Independent Director of the Company till the expiry of second term of his reappointment.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**, for payment of remuneration to Mr. Janmejy R. Vyas (DIN 00004730), Chairman of the Company for rendering professional service to the Company:

“RESOLVED THAT pursuant to provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant Schedules thereto read with Regulation 17(6)(ca) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and on the recommendations made by the Board of Directors and the Nomination & Remuneration Committee at its respective meetings held on 15th May, 2019 and any other approval, permission, sanction, if any as may be required or necessary, the approval of the members, be and is hereby accorded, for the payment of remuneration to Mr. Janmejy R. Vyas (DIN 00004730), Director of the Company, for the professional services availed by the Company w.e.f. 1st April, 2019, in such manner and on such other terms, as the Board of Directors (with liberty to the Board of Directors to delegate this power) may, from time to time determine in consultation with Mr. Janmejy R. Vyas, subject to maximum of ₹ 2.00 Crores (Rupees Two Crores only) per annum (excluding any tax incidence applicable upon the Company under the applicable tax laws and the payment of sitting fees, if any) and within such other overall limits of the remuneration as may be permissible under the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

RESOLVED FURTHER THAT the approval of the members of the Company, be and is hereby specifically given for payment of remuneration proposed to be made to Mr. Janmejy R. Vyas in terms of this resolution even in the absence or inadequacy of profit for a particular financial year under the Companies Act, 2013 and Rules made thereunder, as well as in excess of the limits laid down in the Listing Regulations including Regulation 17(6)(ca) of the said Listing Regulations for which the approval of the members of the Company is specifically required every year.

RESOLVED FURTHER THAT the Board of Directors of the Company (with liberty to delegate this power), be and is hereby authorized to do all acts, deeds, matters and things including liberty to enter into any agreement with Mr. Janmejy R. Vyas and also to take all such steps as may be necessary, proper or expedient for giving effect to this resolution.

RESOLVED FURTHER THAT the resolution and the approval given hereby shall remain in force till the payment of remuneration for professional services to Mr. Janmejy R. Vyas does not exceed ₹ 2.00 Crores (Rupees Two Crores only) per annum and that the Board of Directors of the Company (with liberty to delegate this power) be and is, hereby authorised to alter, vary or amend the terms of agreement with Mr. Janmejy R. Vyas from time to time in consultation with him.”

Notice (Contd.)

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**, to approve continuation of payment of remuneration to Executive Directors viz. Mr. Arpit J. Vyas (DIN 01540057) and Mrs. Deohooti J. Vyas (DIN 00004876), who are Promoters in excess of threshold limits as per Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

“RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the continuation of payment of remuneration to **Mr. Arpit J. Vyas**, Global Managing Director and **Mrs. Deohooti J. Vyas**, Whole-time Director of the Company, as per the existing terms and conditions as approved by the shareholders at the Annual General Meeting held on September 20, 2018 and September 29, 2015 respectively and who are Executive Directors and Promoters of the Company notwithstanding:

- i) annual remuneration to each of them exceeding ₹ 5.00 Crores or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- ii) their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013;

till the expiry of their current term as such i.e. May 31, 2024 and September 2, 2021, respectively.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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 : 15th May, 2019

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, 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. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 14th September, 2019 to Tuesday, 24th September, 2019 (both days inclusive)** for determining the names of members eligible for Dividend on equity shares, if declared and approved at the Annual General Meeting.
5. The Final Dividend for the financial year ended 31st March, 2019, as recommended by the Board, if approved at the AGM, will be paid on or after Friday, 27th September, 2019 but within the statutory time of 30 days from the date of declaration by Members, to those Members whose name appears in the Register of Members of the Company as on the book closure date.

Notice (Contd.)

6. At the ensuing Annual General Meeting, Mr. Mark Griffiths retires by rotation and being eligible, offers himself for reappointment. The information or details required as per Regulation 26(4), 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, pertaining to him (brief Resume) are as under:

Name of the Director	Mr. Mark Griffiths
Age	54 years
Date of first Appointment on the Board of the Company	01/09/2014 of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL"). Upon Scheme of Merger between erstwhile DPCL and Company became effective, he has been appointed as a 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 Master's degree in Science (MSc.) and Mechanical Engineering from University of Bristol.
Experience (including expertise in specific functional area)	He has extensive and expertise background within the technical and Pharma industry and has strong leadership skill. He has more than 35 years of experience in Strategy, Business Operation, Facility & Plant engineering design for pharmaceuticals and chemical plants. He was Co-founder and joint owner of COSAM Developments Ltd., a multi-discipline Pharmaceutical consultancy firm.
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	Mr. Mark Griffiths has been appointed as an Additional Director w.e.f. 1 st September, 2014 on the Board of erstwhile DPCL. His appointment has been confirmed by the members of erstwhile DPCL at 32 nd Annual General Meeting held on 29 th September, 2015 as a Regular Director in Non-Executive & Non-independent Director category, liable to retire by rotation. Upon merger of erstwhile DPCL with the Company, he has been appointed as a 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. In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.
Remuneration last drawn (including sitting fees, if any)	NIL
Remuneration proposed to be paid	NIL
Number of meetings of the Board attended during the financial year	Pl. refer Corporate Governance Report section of the Annual Report 2018-19.
Directorship held in other Companies	
Chairmanship/Membership of Committees of other Boards	None

Notice (Contd.)

Further, at the ensuing Annual General Meeting, Ms. Maitri K. Mehta is proposed to be appointed as a regular Director in Independent Director category for a first term of five (5) consecutive years for a term up to 31st March, 2024 AND Mr. Subir Kumar Das and Mr. Rajendra S. Shah are proposed to be re-appointed as an Independent Directors of the Company for the second term w.e.f. 15th December, 2019 and 2nd April, 2020 respectively. In respect of these Directors, the required information and details as stipulated under Regulation 26 (4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by Institute of Company Secretaries of India are given in the relevant Explanatory Statement of this Notice.

7. *Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants 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.*
8. **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.**
9. 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.
10. 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 23rd August, 2019 at the email Ids registered with the Company/DP. For those shareholders whose name stand registered in the Register of Members as on 23rd August, 2019 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 at their registered address. 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. 11 should treat the same as information purpose only.
11. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the **cut-off date i.e. Tuesday, 17th September, 2019**. 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.

12. 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 (Listing Obligations and Disclosure Requirements) 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.

Notice (Contd.)

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".

13. General information on E-voting

- (i) The e-voting period commence on, **Saturday, 21st September, 2019 at 9.00 a.m. and ends on Monday, 23rd September, 2019 at 5.00 p.m.** During this period, shareholders holding shares either in physical form or in dematerialised mode as on **Tuesday, 17th September, 2019 (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.
14. 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.
 15. Annual Report for the FY 2018-19 of the Company has been uploaded on website of the Company i.e. www.dishmangroup.com
 16. 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.
 17. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/Link Intime India Pvt. Ltd. has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

Notice (Contd.)

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18. (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 2010-2011, 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 2018-19, 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. August 28, 2018. 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.
19. 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.
20. 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.
21. 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.
22. The route map showing directions to reach the venue of the 12th Annual General Meeting is annexed.
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Instruction for e-voting

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Saturday, 21st September, 2019 at 9.00 a.m. and ends on Monday, 23rd September, 2019 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. **Tuesday, 17th September, 2019** 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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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.

Notice (Contd.)

(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) <ul style="list-style-type: none"> 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 Email (in case 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. <ul style="list-style-type: none"> 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 190820014** 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.

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Notice (Contd.)

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 15th May, 2019.

ITEM NO. 4

The Board of Directors, on the recommendation of Nomination and Remuneration Committee ("NRC"), appointed Ms. Maitri K. Mehta (DIN 07549243) as an Additional and Independent Director on the Board of the Company w.e.f. 1st April, 2019 and shall holds office up to the date of the ensuing Annual General Meeting as per the provisions of section 161 of the Companies Act, 2013 ("the Act").

NRC of the Board of Directors have recommended the appointment of Ms. Maitri K. Mehta as an Independent Director for a first term of five (5) consecutive years with effect from 1st April, 2019 on the Board of the Company.

Ms. Maitri K. Mehta is a Cost Accountant by Profession and also holds a Master Degree in Business Administration with specialisation in Finance. She is proficient in the field of Cost and Management Accountancy.

The Board as per the recommendation of the NRC, considers that, as per her background and rich experience (as mentioned hereunder), the appointment of Ms. Maitri K. Mehta would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to appoint Ms. Maitri K. Mehta as a Regular Director in Independent Director category, not liable to retire by rotation, for a first term of five (5) consecutive years i.e. upto 31st March, 2024 on the Board of the Company.

Ms. Maitri K. Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director. The Company has also received declaration from Ms. Maitri K. Mehta that she 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").

The Company has also received a Notice in writing from a member proposing her candidature for the office of Director of the Company under Section 160 of the Companies Act, 2013.

The Board of Directors of your Company, after reviewing the provisions of the Act and Listing Regulations, are of the opinion that Ms. Maitri K. Mehta fulfills the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations and she 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 Ms. Maitri K. Mehta are as under:

Brief Resume:

Name of the Director	Ms. Maitri K. Mehta
Age	37 years
Date of first Appointment on the Board of the Company	01/04/2019
Qualification	She is a Cost Accountant by Profession and also holds a Master Degree in Business Administration with specialisation in Finance
Experience (including expertise in specific functional area)	She has experience of over 14 years as a Practicing Cost Accountant. She is also partner of the firm M/s. Kiran J Mehta & Co., Cost Accountants. She is also fellow member of Insurance Institute of India (FIII Life). She is proficient in the field of Cost and Management Accountancy.
Disclosure of Relationship	Not related to any Director / Key Managerial Personnel
No. of Shares held in the Company	NIL

Notice (Contd.)

Terms and Conditions of appointment	As per the resolution at item No.4 of the Notice convening this Annual General Meeting read with explanatory statement thereto, Ms. Maitri K. Mehta is proposed to be appointed as an Independent Director of the Company for a first term of five (5) consecutive years i.e. from 1 st April, 2019 to 31 st March, 2024.
Remuneration last drawn (including sitting fees, if any)	NIL (during FY 2018-19)
Remuneration proposed to be paid	She shall be paid 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	Not Applicable, since she has been appointed as an Additional Director w.e.f. 1 st April, 2019.
Directorship held in other Companies	1. Sintex Industries Ltd. 2. Korba West Power Company Ltd. 3. Aksharchem (India) Ltd.
Chairmanship/Membership of Committees of other Boards	1. Audit Committee of Korba West Power Company Ltd. (Chairperson) 2. Nomination & Remuneration Committee of Korba West Power Company Ltd. (Chairperson) 3. Audit Committee of Sintex Industries Ltd. (Member) 4. Audit Committee of Aksharchem (India) Ltd. (Member) 5. Nomination & Remuneration Committee of Aksharchem (India) Ltd. (Member) 6. Stakeholders Relationship Committee of Aksharchem (India) Ltd. (Member) 7. Corporate Social Responsibility Committee of Aksharchem (India) Ltd. (Member)

Copy of draft letter of appointment of Ms. Maitri K. Mehta 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 between 2.00 p.m. to 4.00 p.m. on working days upto the date of AGM.

Ms. Maitri K. Mehta does not hold by herself or together with her relatives two percent or more of the total voting power of the Company.

Ms. Maitri K. Mehta is interested in the resolution set out at Item No. 4 of the Notice with regard to her appointment. Relatives of Ms. Maitri K. Mehta 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 Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

Mr. Subir Kumar Das (DIN 02237356) was appointed as a Non-executive Independent Director by the members of erstwhile Dishman Pharmaceuticals and Chemicals Limited ("DPCL") in their 32nd AGM held on 29th September, 2015 for a term of five (5) consecutive years, effective from 15th December, 2014 to 14th December, 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 14th December, 2019. Mr. Subir Kumar Das is the member of the Audit Committee and Nomination & Remuneration 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. Subir Kumar Das 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. Subir Kumar Das 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. Subir Kumar Das 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.

Notice (Contd.)

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

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

The Company has also received declaration from Mr. Subir Kumar Das 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"). The Company has also received a Notice in writing from a member proposing his candidature for the office of an Independent Director of the Company under Section 160 of the Companies Act, 2013.

In the opinion of the Board, Mr. Subir Kumar Das 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. Subir Kumar Das 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. Subir Kumar Das are as under:

Brief Resume:

Name of the Director	Mr. Subir Kumar Das
Age	65 years
Date of first Appointment on the Board of the Company	15/12/2014 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 holds Master degree in Management Studies (Finance) from Banaras Hindu University, Varanasi. He has also done M.Sc. (Chemistry) from Lucknow University. He has also done CAIIB from Indian Institute of Bankers, Mumbai.
Experience (including expertise in specific functional area)	He is retired General Manager of Bank of Baroda (BOB) and having very rich and wide experience of over 35 years in the field of Banking, Administration and Management. During his service with banking industry he has served in various positions and retired in 2013 as Chief General Manger (HR & CSR) from Bank of Baroda. During association with BOB, he has drafted and implemented various HR Policies and CSR Policy. He also served as Advisor to the Chairman and Managing Director in BOB. Presently working as Guest Faculty in various organization since June 2014 and take session on Innovation, Strategy, Human Resource Management, and Leadership.
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.5 of the Notice convening this Annual General Meeting read with explanatory statement thereto, Mr. Subir Kumar Das 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 14 th December, 2024.
Remuneration last drawn (including sitting fees, if any)	₹ 13.25/- Lacs during FY 2018-19 (for remuneration details, please refer to Annexure A to the Board's Report)

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bvs K-1 • o" vo oz -sqswr rsqz-əw" t- U-2' ox" r-əa avov vo vs' ss vs q-w- -t w'rs • s"rs"qs o • -s- q-wsr p- v "rs-asqw" 58A: -t vs l q o"r "rs-vs aM Q Tw w' u Wpzwow" o"r Lwqz- -s' s" w- s" - 'su zow" 06459, Tw w' u' su zow" -2bvs K-1 • o" vo oz -sqswr oV- w' w' w' ut- o' s' ps- -w' u vw qo"r wo -s-t- -vs- -ttwq- -to" Qrs • s"rs" Lwq --t vs K-1 • o" "rs-asqw" 5: 4-t vs K-1 • o" w' l q 064572

Mtsqws t- l • -w' 450645A0' su zow" 5; ;5l -t vs Tw w' u' su zow" w' -r qsr -" A' Uo 0645@ " -zw sr s" w vozzo • -w' o • s- -q- w' s vs r w- q- -vw -to" • s- o o- "ls sq ws r w- q- -v- vo o o' w' sr vs ous -t s" tws so- "z o • sqoz- -z w" w • o sr - vo sttsq 2U-2' ox" r-əa avov wzo o' w' ous -t; 9 so- r -w' u vw • -sr sq- r s- -t Qrs • s"rs" Lwq -θww -s" wsr - -p o' w' o • -oz -t vo -sv- -x- s- p o -t • sqoz- -z w" 2

Q vs -w' w" -t vs J-o-r-0U-2' ox" r-əa avov B

,o- • -s s -w' vs • s- w' q s o" r s • s- ws -sz o" - vs K-1 • o" C

,p- t z w' vs q- "rww" t- -s- l o • -w' s" o o" Qrs • s"rs" Lwq --θ • sqw' w' vs l q o"r vs Tw w' u' su zow" C

,q w' w'rs • s"rs" -t vs' o' ous' s" 2

'sz o" rs o' w zsr "rs- su zow" 6; ;8-o" r 7; ;7- -tzw w' u -su zow" o"r asq- s- o- wza o" r o- -" Os" s- oz Uss w' u , aa16 -w sr p Q w s -t K-1 • o" asq- s- o- w -t Qr w' w' -s • sq -t U-2' ox" r-əa avov o- s- o "rs- B

J-w' t' s' s B

Vo' s -t vs Lwq --	U-2' ox" r-əa avov
l us	; 5 so-
Lo s -ttw- l • -w' s" -" vs J-o-r- -t vs K-1 • o"	4634836459 -ts- v w' Lw' o' Xvo- oqs w' qoz o' r Kvs' w' qoz Tw wsr , L XKT-2 c • -" aqs' s -t Us- -s- ps ss" s- v w' L XKT o" r K-1 • o" psqo' s sttsq ws 0 vs vo pss" o • -w' sr o o" Qrs • s"rs" Lwq --t vs K-1 • o" z 225; 3473 645; w vs s w w' u s- o" r q- "rww" o o • -sr p vs J-o-r- o" r avo -sv- -x- s- -ts- v w' L XKT 2
Y ozivro w"	Ps v -x J oqvsz -+ L su -ss w' Usqvo" w' qoz M' u w' ss -w' u t- TMM' u w' ss -w' u K- z s us 0U -p w'
M • s- w' q s , w' qz r w' u s • s- ws w' • sqw' q t "q w" ozo -so-	Ps w vs N- "rs- X-1 - s -t Po -vo M' u w' ss -Tw wsr , PMT-1 o" toq -s- t Jso -w' u Kous -to" ' o s- wzo" • s o" r l -K-1 • -s" 2U -zavov vo -s- 84 so -t -w' o" r o -w' r s • s- w' q s o o" Qr -wz w 2c "rs- w wopz u w o" q s o" r zors -vw vs PMT vo oqvw sr " -s -t' -s vo" ₹ 744 q- s- 2 Ps woz -s -w' u o oX- s- ws" -ta- qw' t -vs e szo- s- t vs Us" ozz ' s o- sr 1 o Xo- s" - -w' o w w" -y w' u t- -e szo- s- t vs Us" ozz Kvozs" usr Kw' w' -s" +0 -" w' u "rs- vs "o' s l l abPl o -qo w' oz -svopw' w w" q s" s- t- s" ozz qvozs" usr • s- " vo w' u ous op- s 65 so- 2 Ps woz -pss" l o- sr o Js M' -s- -s" s -p vs l v' sr opor Uo" ous' s" l -qw' w" Ol v' sr opor w' 64452
Lwqz- -s- -t' s zow" vw	V- -szo sr -o" Lwq --3Ss Uo" ous -wz Xs -" -sz
V-2-tavo- vsz w' vs K-1 • o"	VQ
bs- o" r K- "rww" -t 's l o • -w' s"	l • s- vs -s- -z w" o ws' V-2 -t vs V- w' q- "s" w' u vw l " " oz Os" s- oz Uss w' u -sor w s • z o o- o- s' s" vs -s- 0U-2' ox" r-əa avov w • -sr -ps -s- l o • -w' sr o o" Qrs • s"rs" Lwq --t vs K-1 • o" t- -θ sq- r s- -ttws , 9- q- "sq ws so- w 2 • -5 l • -w' 064692
's' "s- ə w" z r-ə " , w' qz r w' u w w' u tss O' w o" -	₹ A z 431 Toq r -w' u Ng 645 @ 5A, t- -s' "s- ə w" rs o' w 0 z o s -sts -l " " s -s- l - vs J-o-r- + s' s- -

<p>'s' "s-əw" • → - sr - ps • ow</p>	<p>Ps vozzps • ow w ŵu tss ,•s s" z w ŵu tss w ₹ 6404431t--soqv' ss ŵu- t→o s"r ŵu s s—' ss ŵu -t vs J-o-r --K-' ' w ss vs-s-t • z -s ŵ p -s' s" -ts • s" s t→o—w ŵo ŵu ŵ vs J-o-r o"r - vs—' ss ŵu I VL •—tw -szo sr q-' ' w w" w ŵ vs z ŵ w w zo sr "rs-asq w" 5A; -t vs l q 0 ŵ qv o • → --w" o"r ' o" s-o vs J-o-r ' o t—' ŵ s - ŵ s rs s—' ŵ s 2</p>
<p>V ' ps—t' ss ŵu -t vs J-o-r o s"rsr r -ŵu vs tŵo" qvz so— L w q—vw vsz ŵ - vs-K-' • o" w</p>	<p>Xz-sts-K→-o s O- s"o" q s' s•— sq w" -t vs l "" oz' s•—645@15A2</p>
<p>Kvow—o" vw 3Us' ps—vw -t K-' ' w ss -t- vs-J-o-r</p>	<p>52 K→-o s a-qvz' s •—" v p v w K-' ' w ss -tPo—vo M u ŵ ss—T w wsr ,Kvow—o"- 62 Uo"ous' s" K-' ' w ss -tPo—vo M u ŵ ss—T w wsr ,Kvow—o"- 72 QWK-' ' w ss -tPo—vo M u ŵ ss—T w wsr ,Kvow—o"- 82 a oysv-z s—K-' ' w ss -t l Q M u ŵ ss—ŵ u T w wsr ,Kvow—o"- 92 l r w K-' ' w ss -t l Q M u ŵ ss—ŵ u T w wsr ,Kvow—o"- :2 V-' ŵ o w" o"r ' s' "s-əw" K-' ' w ss -t l Q M u ŵ ss—ŵ u T w wsr ,Us' ps— ;2 l r w K-' ' w ss -t e s z p a s s z T w wsr ,Us' ps—</p>

K• -tr-ət z s—t-s1o•-ŵ' s" -tU-2' ox"r-əa2avov s ŵu - vs s—' o"r q—"rww" -to•-ŵ' s" w
o o v p z t—ŵ • sq w" w- o" tss p vs' s' ps—o vs -s u w s-sr -t t v s -t vs K-' • o" r -ŵu"—' o z p ŵ s
v- —ps ss" 624•2 2-824•2 2—" -y ŵ u r o • - vs r o s -t l O U 2

U-2' ox"r-əa avov r-s " - v-z p v w sz—us vs— w v w -szo ws -•s-qs" —' -s-t vs - oz - ŵu•- s—
-t vs K-' • o" 2

U-2' ox"r-əa avov w ŵ s-s sr ŵ vs -z w" s - o Qs' V-2: -t vs V- v q s w -suo-r - v w -s o • -ŵ' s" 2
'szo ws -tU-2' ox"r-əa avov ' o p s r s s' sr - ps ŵ s-s sr ŵ vs -z w" - vs s s" -t v s w -v o -s v -z ŵ u
ŵ s-s o w o" o ŵ vs K-' • o" 2ao s o"r s q s • vs op- s o"—s-t vs - vs -t w s q—3Ss Uo"ous-ŵ z Xs—"sz-t vs
K-' • o" 3 v s w -szo ws o-s 0 ŵ o" o 0 q—"q s—sr -ŵ s-s sr 0 t ŵ o" q v z — vs—w s 0 ŵ vs -z w" 2

bvw o s' s" ' o oz-ps -suo-r sr o o" o• → -v s r w q z -s "rs-vs l q o"r vs Tw ŵu 's u zo w" 2bvs J-o-r
-sq-' ' s"r vs a-s q v z' s -z w" s - o Qs' V-2: -t vs V- v q s t—o•- o z p vs' s' ps—2

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av-wP" ' s x o ' 2d o ,L Q 44448; 74- o o•-ŵ sr o Kvow—o") Uo"ou ŵ u L w s q —t vs K-' • o" p vs J-o-r -t
L w s q —t s— v w s L w v' o" X v o—o q s v q o z o"r K v s' v q o z T w w s r 2, L X K T -o w ' s s ŵ u v s z r -" 69' U o 0644A 0 t—
o • s -w r -t t w s s o— 2 225 U o -q v 06454 o o -s' "s-əw" -t 9(-t vs "s • -t w q-' • sr ŵ vs' o" s -z w r -" ŵ
s q w" 78A o"r 794 -t vs K-' • o" w l q 05A9: 2Pw o•-ŵ' s" o qv o"r vs -s' "s-əw" • o opz -v w s-s
o•-sr p vs' s' ps—p • o ŵ u o" -r ŵ o—s-z w" o vs l "" oz Os" s-əz U s s ŵ u -t s— v w s L X K T v s z r -"
75 R z 0644A ŵ s—' -t as q w" 5A@06: A074A075: o"r - vs -o• z q o p z • - w w" -t vs K-' • o" w l q 05A9: 2bvs
o•-ŵ' s" -t a v -w P' 2d o o' o r s t -o • s -w r -t t w s s o -0 v v v • s -w r s • w s r -" 6@' N s p -o -064592

bvs-sot s-əv s-1o•-ŵ' s" o o Kvow—o") Uo"ou ŵ u L w s q —t s— v w s L X K T o' o r s t -ə t -v s -s -w r -t t w s
s o— w s t t s q t—' 5 U o -q v 06459 • - 6@' N s p -o -06464 p vs J-o-r -t L w s q —t s— v w s L X K T o w ' s s ŵ u
v s z r -" 6@' r o -t U o 064582P w -s 1o•-ŵ' s" o q v o"r vs -s' "s-əw" • o opz -v w o • s -a s q w" 5A: 05A;
-s o r w a q v s r z d o"r o z z -v s -o• z q o p z • - w w" -t vs K-' • o" w l q 06457 o"r vs K-' • o" w , l • -ŵ' s"
o"r ' s' "s-əw" -t U o" o u s -ŵ z X s —" " s z ' z 06458 s -s o• -sr p vs' s' ps—t s— v w s L X K T p • o ŵ u o
• s q v z -z w" v— u v X- o z J o z z -" 57' R o" o -064592

c•- " a q v s' s -t U s -u s -p s s s" s— v w s L X K T o"r K-' • o" p s q o' s t t s q w s 0 v s v o p s s" o•-ŵ sr o Kvow—o")
Uo"ou ŵ u L w s q —t vs K-' • o" 2 225; ' U o -q v 0645; w v s s w ŵ u s—' o"r q—"r w w" o o•-sr p vs
J-o-r o"r a v o -s v -z s —t s— v w s L X K T 2

bvs-sot s-0U-2R0" sxo '2d o 0vo s•sr r- " t- vs -z-tUo" ouWuL wsq - 2225@' Np-o-0645A0o • o-t vs K-1 • o" + qqs w" • 2d" o"r vw-z) s•- " vovvov vozzps • s-t- sr p U-2l -wR2d o 0Oz-pozUo" ouWu L wsq -> OUL -t vs K-1 • o" 2

U-2R2' 2d o vo ou-ssr -q- W s -W -z svW szW s-so-ov o"r rs sz-1 s" oq wvw -t vs K-1 • o" o"r • - ws u w"o"qs o"r or vps - vs as" w-Tsor-s-vw so' W vwqo• oq w o vs Kvw- o" -t vs K-1 • o" 2av-wR2' 2d o w vs t- "rs-L wsq -o"r X-1 - s-t vs Lww' o" O- • 2Ps vo ' o"ousr vs K-1 • o" Wqs w Wqs• w" o"r vs w s•- " vps t-vs u- v -t vs K-1 • o" 2Ps wo" ozvwr qvs' vqoz sqv"-z-uw t-1 c"ws-w -t Ls• o-1 s" -t Kvs' vqozbsqv"-z-u 2Ps w szz" ozvwr o"r s • s-w" qsr 2Ps vo vs s • s-w" qs -t' -s vo" t- - so-W Xvo-1 oqs vqoz o"r Wlv- s sqv"-z-uw vo s pss" rs sz• sr "rs-vw s o-f vw2bvs K-1 • o" vo s opzvsr o szls" w•sr ') L rs• o-1 s" "rs-vwopz u w"o"qs 2av-w d + ww" w vs ys toq -t-vs K-1 • o" +q- w s" -eq s-q-r o"r u- v2c"rs-vwr wsq w" o"r zors-vw LKXT vor qo' s - w o qqs t zQ wvzX pzq Wts-W 64482

V- Oot s-vwrsqvw" -t s•Wur- " t- vs -z-tUo" ouWuL wsq -0vs w" - szwvps t-0" -s' "s-0 w" o o Uo" ouWuL wsq -0t s-5@v Np-o-0645A0o • s-vs s-z w" • o sr p vs' s' ps-t-s- vvs LKXT p o -t X- ozJoz- -" 57' Ro" o-064592P- s s-0o • s-asq w" 5A; -t vs K-1 • o" w l q 064570U-2R2' 2d o ws szwvps t- -s' "s-0 w" t-s" rs-Wu s-vqs -to• -ts w"oz"o -s- vs K-1 • o" Ov vs o' s wo• - sr p vs' s' ps-W us"s-0z' ss Wu2bvs• -> -oz-t• o' s" -t-s' "s-0 w" -U-2R2' 2d o oz-o• - sr 3-sq' ' s"rsr p vs V-1 Wov" o"r 's' "s-0 w" K-1 ' wss ot s-o wt Wu vo U-2R2' 2d o • - s s vs-s" wms" ozvwr w" t-> -eq vps -s"rs-Wu -t• -ts w" s-vps 2

Ows" vs op- s0q-p-0sr p vs oz opz q- vq w" ' ors p U-2R2' 2d o 0wvw vs W s-s- -t vs K-1 • o" - q- W s - o ovz -ts w"ozor vps o"r s-vqs -tU-2R2' 2d o t-vs u- v o"r q-r q w" -totton-o"r p Ws -t vs K-1 • o" o"r - oys or o" ous -tvws s" ws s • s-w" qs o"r s • s-ws W vs tvz -t') L o"r • -r q w" 0o o L wsq -> Kvw- o" -t vs K-1 • o" 2Q w -t vs o' s0ww• -> - sr - o -s' "s-0 w" - U-2R2' 2d o t-vs • -ts w" oz s-vqs -s"rs-sr - vs K-1 • o" 2225 l • 0645A0W qv o' o" "s-0 vs J-o-r-t L wsq -> ' o t-1 W s - W s rs s-1 Ws p xq -' o W ' -t 624 K-s , ' ss b - K-s - s-o" ' o"r - s-0z z w -" -s' "s-0 w" o zow r- " W vs K-1 • o" w l q 06457 o"r ' z ' ors vs-s"rs-2

bvs-s-o-s s s-0zlv w t-> o' s" -t-s' "s-0 w" p K-1 • o" - w L wsq -3 o zow r- " W vs K-1 • o" w l q 0 6457 o"r ' z ' ors vs-s"rs-2 Q w -t vs K-1 • o" w , l ' s"r' s" -l q 0645; 0 vs • o' s" -t-s' "s-0 w" W s qs -t vs zlv w vo pss" • s-1 wsr ot s-p oW Wu vs o• - oz-t vs' s' ps-t vs K-1 • o" p xq -qs-0W -vs-q"r wv" o"r -s" w s' s" 2 Q w Wt-1 sr vo o vs K-1 • o" vo " - rsto zsr W • o' s" -tr s - Jo'y0 X pzq Nw" o" qvz Q w w" 0V- "1q- s-vps r sps" -sv-x s-o"r - vs-sq -sr qsr w-0 vs-s w" - "ssr - -p oW vs w- w-0• - ozpst-s-p oW Wu vs • s-s" o• - oz-t vs' s' ps-t vs K-1 • o" 2

l zow r- " W • - w- - asq w" 5A; ,8- -t vs K-1 • o" w l q 064570 vs -s' "s-0 w" • o opz - L wsq -W - vs- qo• oq w vozz- ps Wqz rsr W vs L wsq -> -s' "s-0 w" W vs s-vqs • - wsr p vs L wsq -0s-t- -ts w" oz "o -s o"r vs V-1 Wov" o"r 's' "s-0 w" K-1 ' wss s • s -> -Ww" vo vs L wsq -> - s vs -s" wms " ozvwr w" t-> -eq vps -t• -ts w" 2Q -s• sq -U-2R2' 2d o 0 vs V-1 Wov" o"r 's' "s-0 w" K-1 ' wss vo oz-sor s • s- sr vs -> -Ww" wW vs' so' Wu-tasq w" 5A; ,8- -t vs K-1 • o" w l q 064572P s" qs 0 vs -s' "s-0 w" • -> - sr -ps -U-2R2' 2d o W s-1 -t vs • - sr -s-z w" wz- - wus-vs zlv w zow r- " W asq w" 5A; -t vs K-1 • o" w l q 064572P- s s-0t- ps s-u- s-o"qs o"r rwqz- -s0 vs K-1 • o" w ssvWu vs o• - oz-t vs' s' ps-t vs K-1 • o" p o -t • sqvz-s-z w" 2

Qwoz - qz-vwr vo vs • o' s" -t-s' "s-0 w" t-> -ts w" oz s-vqs -U-2R2' 2d o vozz- ps' o s-vz-s-z sr • o- -0" oq w" 2bvs o• - oz - uv p vw-s-z w" vozzps -" -u-Wu po wv2 wv- o" -ts-s" qs - • sqvq r -0 w" 2bvs K-1 • o" vozz ssv vs t-s v o• - oz-t vs' s' ps-w• o' s" -t-s' "s-0 w" W s qs -t vs zlv w-t 624 K-s • 22Q w qz-vwr vo vs zlv w-t 624 K-s • s-0" ' vozz- Wqz rs o" o zovvav -s" wsr - ps Wq -sr p vs K-1 • o" "rs-vs o• zovps o z 2Qwoz - qz-vwr vo vs K-1 • o" ' o • o wWuts -U-2R2' 2 d o - s-0"r op- s-s' "s-0 w" t-> -ts w" oz s-vqs 2

l • - wsr W' su zo w" 5; ; - , -q- -t vs aM QTW Wu Wpzu o w" o"r Lwqz- -s' s" w s' s" -' su zo w" 06459, %W Wu ' su zo w" %0 vs o• - oz-t vs' s' ps-t vs K-1 • o" p o -t • sqvz-s-z w" Ouwwurs ovz -t-s' "s-0 w" 0 w-s" wsr s s- so-t-> o' s" -t o" oz-s' "s-0 w" - Wu z -" s sq ws L wsq -> s qsr Wu 94(-t vs - oz

-s' "s-ew" . o opzs - ozz"- "1s sq ws Lwsq ---t vs K-' . o" 2Qw zysz vo W' -' s --ozz-t vs so-0 vs
-s' "s-ew" . o opzs -U-2R2 2d o ' o s qsr 94(-t vs -ozs' "s-ew" . o opzs - ozz"- "1s sq ws Lwsq ---t-
o" . o- wq zo-tW o" qvz so-2Ps" qs0o. - oz-t' s' ps---t vs K-' . o" w . sqvqozz - uv "rs-su zo w" 5; ; -; -qo-
-t vs Tw Wu' su zo w" 2Q-s" wsr ---sq s o-0 vs K-' . o" vozzq- W' s - -p oW vs o. - oz-t vs ' s' ps-
"rs- vs-e. zqopzs . - ww" Wqz rWu' su zo w" 5; ; -; -qo- -t vs Tw Wu' su zo w" 2

Ps" qs0o . s-vs . - ww" -tasq w" 5A; -tK-' . o" w l q o"r ' su zo w" 5; ; -; -qo- -t Tw Wu' su zo w" vs-s wo
"ssr - oys o. - oz-t' s' ps-p . o Wuo . sqvz-s-z w" t- oyWu . o' s" -t-s' "s-ew" -U-2R2" sxo ' 2
d o 0Kvow' o") Lwsq ---t vs q' . o" t-s"rs-Wu. -ts w" oz s- vq s - vs K-' . o" 0 325 l . 0645A2

g- -Lwsq ---0 vs-st-s0-sq- ' ' s"r oa . sqvz' s -z w" o ws' V-2 t--- -e. - oz2U-2Ls-v-- wR2d o 0e v-zs 1
W s Lwsq ---e"r U-2l -wR2d o 0Oz-pozUo" ouWu Lwsq ---t vs K-' . o" ' o ps q- w s-sr o q- q s-sr o"r
W s-s sr o psWu -szo ws -tU-2R2' 2d o o"r U-2R2' 2d o ' o oz- ps q- w s-sr o q- q s-sr o"r W s-s sr o vs
-z w" . s-ow' -vW sz2bvs - vs-szo ws -tU-2R2' 2d o ' o psrss' sr -ps W s-s sr W vs ow -s-z w" -t
vs V- vq s0 - vs s s" -t vs w-vo-sv-z W u W s-s Ow o' Ow vs K-' . o" 2ao s o"r s q s . vs op- s0" -s-t vs
-vs-Lwsq ---3Ss Uo" ous-vzXs ---"sz-t vs K-' . o" 3 vs w-szo ws o-s0W o" o 0q- q s-sr -W s-s sr 0
tW o" qvz --- vs-ws0W vs -s-z w" 2

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l . s-s z W -r qsr ' su zo w" 5; ; -; -s- -t aMl QTw Wu Wpzmow" o"r Lwqz- s' s" w s' s" - , l' s' r' s" -
' su zo w" 0645@ vs tss --q' . s" o w" . o opzs -s sq ws rwsq --- v-o-s. -' -s---' s' ps---t vs . -' -s-
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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 (Standalone as well as Consolidated) of the Company for the year ended March 31, 2019.

FINANCIAL RESULTS

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2018-2019	2017-2018	2018-2019	2017-2018
Revenue from Operations	549.47	474.46	2058.60	1694.79
Earning Before Interest Tax Depreciation and Amortisation (EBITDA)	193.79	166.30	551.90	445.35
Other Income	71.68	65.66	53.82	45.69
Depreciation & Amortisation (other than Goodwill)	47.85	45.99	151.92	122.96
Amortisation of Goodwill	88.46	88.46	88.46	88.46
Profit Before Interest and Tax	129.16	97.51	365.34	279.62
Finance Costs	47.43	35.34	56.55	48.83
Profit Before Tax	81.73	62.17	308.79	230.79
Tax Expense	25.72	25.10	98.46	76.22
Profit After Tax	56.01	37.07	210.33	154.57

PERFORMANCE AND OPERATION REVIEW

Standalone Financial Results

In FY 2018-19, your Company achieved revenue of ₹ 549.47 crores as compared to ₹ 474.46 crores in FY 2017-18. Profit before tax stood at ₹ 81.73 crores in FY 2018-19 as against ₹ 62.17 crores in FY 2017-18. Profit after tax for the year remain at ₹ 56.01 crores in FY 2018-19 as compared to ₹ 37.07 crores in FY 2017-18.

Earning per share for the FY 2018-19 remains at ₹ 3.47 per share as against ₹ 2.30 per share in FY2017-18.

Consolidated Financial Results

In FY 2018-19, your Company achieved revenue of ₹ 2058.60 crores as compared to ₹ 1694.79 crores in FY 2017-18. Profit before tax stood at ₹ 308.79 crores in FY 2018-19 as against ₹ 230.79 crores in FY 2017-18. Profit for the year remains at ₹ 210.33 crores in FY 2018-19 as compared to ₹ 154.57 crores in FY2017-18.

Earning per share for the FY 2018-19 remains at ₹ 13.03 per share as against ₹ 9.58 per share in FY2017-18. Cash Earning per share for the current year works out to ₹ 34.03 as against ₹ 24.00 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 are pleased to recommend a final dividend of ₹ 0.20/- (10%) per equity share of ₹ 2/- each for the financial year ended March 31, 2019, subject to approval of shareholder at ensuing Annual General Meeting and will be paid out of the profits of the Company for the year to all those equity shareholders whose names appear in the Register of Members on the close of business hours as on 13th September, 2019.

The total dividend outgo for the year ended March 31, 2019 would be ₹ 389.14 lacs including dividend distribution tax of ₹ 66.35 lacs.

The Company has declared dividend in line with the compliance of Dividend Distribution Policy of the Company.

Directors' Report (Contd.)

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

The financial year that passed by was marked by some significant acceleration in the supplies of certain niche molecules on the commercial side and debottlenecking of capacity constraints on the product development side. Due to your Company's continued focus on developing and manufacturing complex niche new chemical entities APIs, the revenues as well as the profitability of your company grew substantially over the previous year, making it the best performing year of your company. Your company also underwent regulatory audits at various plant locations and due to the high level of ethical practices being followed in the company and increased levels of preparedness, there were no critical observations that were found.

Your Company's philosophy of "One Company, two Brands" helped the company immensely in obtaining more orders from your customers and converting them into high-growth financial numbers during the year. Due to sustained efforts of all your employees, your company's revenue grew by 21.47% and net profit grew by 36.08% in FY 2019 as compared to FY 2018 on consolidated basis. The growth was driven by India, Swiss and Dutch subsidiary financial performances.

CRAMS

With the focus on niche new chemical entities for development within some key therapeutic areas such as oncology, ophthalmic, cardiovascular, CNS and drugs under orphan category, the pipeline products of your company are ones which would address the diseases where there is a significant unmet need. This reinforces your company's philosophy to serve the human mankind and make the world a better place to live in.

Your company made investments in increasing the new product development capacity, one on the infrastructure i.e. the state-of-the-art laboratories required to develop new molecules and two on the people i.e. the world-class scientists who are focussed on developing novel molecules, which can make a difference to the world. Your customers are extremely comfortable in giving more repeat business to your company because of the high level of confidentiality regarding the intellectual property rights of the molecule that your people are able to maintain.

The most significant factor that plays extremely well in your company's favour to attract the best customer pool is the new molecule development and manufacturing capability that you are able to offer across various locations such as Switzerland, India, China and the UK. This is a unique feature of your organization, which no other company across the world has been able to replicate. Your company's strategy of focussing on small to mid-size biotechnology companies in addition to the large global innovators over the last 7-8 years is yielding extremely rich dividends to the group as a whole. Most of the molecules under development in the late phases are life-saving drugs, which could play an important role in achieving your company's vision of spreading happiness by reducing the number of patients suffering from chronic diseases.

Your company's subsidiary CARBOGEN AMCIS AG completed Phase I of the modification/expansion project for adding development capacities to the group especially for the Highly Potent compounds. Your subsidiary also recruited scientists for undertaking new projects for development of complex highly potent molecules. The incremental revenue from this Phase I project is expected to commence from FY 2020.

In the last financial year, your company experienced a significant increase in the sales orders for certain molecules, which received approvals from the regulatory agencies in the last 3-4 years. Your company expects this growth to continue in the future as well. Additionally, your company expects more molecules in Phase III development to get approval over the next 3-5 years. This will keep contributing to healthy revenue and profitability numbers over a sustained period of time.

Hi-Po Unit

Your company's Hi-Potency Unit 9 facility is a world-class, one of the best development and manufacturing facility for highly potent and such other niche molecules. It can handle molecules up to containment level four. One of the significant highly potent APIs was developed in Phase III in this plant and the end-product for one of the indications received approval

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Directors' Report (Contd.)

We have filed DMF for one analogue and the other products will follow soon. We continue to invest in our R&D and analytical capabilities. This has helped us to win new CRAMS projects as customers get full service under one roof.

In the last two years, Dishman has developed four new disinfectant actives. These are showing excellent anti-microbial efficacy. Additional trials are underway at globally reputed centres. With the expanded capacity of disinfectant products, now Dishman will focus on institutional business for these disinfectant products.

We have continued to work on innovative processes for generic APIs. We have been granted two patents last year. Also, few more patents are filed. We have developed processes for 5 CNS stimulants. These are under process validation now and we expect the ASMF to be ready within a year.

Our soft gel pilot plant is fully operational and is being used for CRAMS as well as own products. We expect to file few dossiers soon. The large-scale manufacturing facility is under commissioning and will be fully operational by Q2 of FY 2019-20.

QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE)

Company uphold its position as a leader in the fine chemical and pharmaceuticals manufacturing industry by conducting all business activities in a responsible manner to meet the expectations of quality, protect the environment & conserve the resources, health & safety of employees, interested parties and the community.

Measuring, Monitoring, Reviewing, analyzing, understanding the needs and expectations of workers and other interested parties, 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 short term as well as long-term EHS goals, with benchmarking to global pharmaceuticals companies assess resources required to achieve specific goals and ensure critical business alignment.

Dishman evaluate customer feedback and satisfaction by internal and external communication in proposing and establishing its long-term relations and to achieve 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 implemented to reduce the Significant Risk & Environment Impacts.

The Company's QHSE&S policy is being implemented, among others, through

- (i) Segregation of waste water in terms of High COD and Low COD 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) For Dilute Stream , ETP plant consisting of Primary , Secondary and Tertiary treatment, followed by Two Stage R.O. System and Multiple Effect Evaporator.
- (iv) Practicing On-site emergency plan by conducting periodic mock-drills;
- (v) Replacement of hazardous process / chemical to non-hazardous process for converting to low hazards;
- (vi) Latest technology for Fire detection and protection system , with alarm system.
- (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; plantation of trees at periphery of premises.
- (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;

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Directors' Report (Contd.)

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
- Risk Management 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, number and dates of meetings of such committees held during the year 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 2018-19, the Board met Eight (8) times i.e. on 16th May, 2018, 1st June, 2018, 2nd July, 2018, 25th July, 2018, 1st November, 2018, 28th November, 2018, 23rd January, 2019 and 30th March, 2019. 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 and also the Board for approval. 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.

Directors' Report (Contd.)

vi) Subsidiaries, Joint Ventures and Associate Companies

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

- During the year, two dormant wholly owned subsidiaries viz. Dishman Switzerland Limited and Innovative Ozone Services Inc. (IO3S) were struck off/wound-up.
- During the year, name of wholly owned subsidiary company viz. "Dishman Netherland B. V." has been changed to "CARBOGEN AMCIS B. V."
- During the year, name of wholly owned subsidiary company viz. "Dishman Japan Ltd." has been changed to "Dishman CARBOGEN AMCIS (Japan) Ltd."

As on 31st March, 2019, the total number of subsidiaries including step down subsidiaries was Fourteen (14).

Expansion programme:

Your company's subsidiary CARBOGEN AMCIS AG had bought a building in Switzerland to debottleneck its new product development capacity constraint in 2017. In the last financial year, the Phase I of modification of this building was completed so that additional development and analytical laboratories can start functioning. Additional scientists were also hired for undertaking the new projects. Moreover, one of the buildings in the existing campus in Bubendorf, Switzerland facility, which was on lease, was given away to the lessor and the development projects were shifted to this new building.

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 Saturdays, 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 at www.dishmangroup.com.

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 2018-2019, 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 including sweat equity 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 holding /subsidiary companies :

Mr. Arpit J. Vyas, Global Managing Director 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. He is being a Partner of Adimans Technologies LLP, a holding LLP of the Company, has right to receive profit in the ratio of 20% from the said LLP.

Directors' Report (Contd.)

Also, Mr. Janmejy R. Vyas, Chairman 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. Mr. J. R. Vyas being a Partner of Adimans Technologies LLP, a holding LLP of the Company, has right to receive profit in the ratio of 40% from the said LLP.

Mrs. Deohooti J. Vyas, Whole-time Director, being a Partner of Adimans Technologies LLP, a holding LLP of the Company, has right to receive profit in the ratio of 40% from the said LLP.

Details of remuneration received by Mr. Arpit J. Vyas, Mr. Janmejy R. Vyas and Mrs. Deohooti J. Vyas have 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 2018-19. 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.

INTIMATION RECEIVED FROM HOLDING COMPANY

During the year under review, the Company has received the intimation under SEBI (PIT) Regulations, 2015 and SEBI (SAST) Regulations, 2011 from its holding company viz. Bhadra Raj Holdings Pvt. Ltd. ("BHPL"), regarding transfer of its holding (61.40%) in the Company to Adimans Technologies Pvt. Ltd. ("ATPL") pursuant to Scheme of Amalgamation amongst BHPL and ATPL and their respective shareholders and creditors duly approved by the Hon'ble NCLT, Ahmedabad Bench vide its order dated 14th November, 2018. Subsequently, ATPL has been converted into LLP viz. Adimans Technologies LLP w.e.f. 28th January, 2019 and in this regard, necessary disclosures under SEBI (PIT) Regulations, 2015 and SEBI (SAST) Regulations, 2011 have also been received by the Company. Accordingly, now Adimans Technologies LLP became a holding company.

DIRECTORS & KMPs

Retire by Rotation

Mr. Mark Griffiths, Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Appointment

During the year, the Board of Directors appointed Ms. Maitri K. Mehta as an Additional Director designated as an Independent Director with effect from 1st April, 2019, to hold office up to the date of the forthcoming Annual General Meeting. The matter of appointing her, as regular Director in Independent Director category, alongwith justification for such appointment, appears as Item No.4 in Notice of the Annual Report.

The term of office of Mr. Subir Kumar Das and Mr. Rajendra Shah, as an Independent Directors, will expire on 14th December, 2019 and 1st April, 2020 respectively. The Board of Directors, on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Subir Kumar Das and Mr. Rajendra Shah, 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. The approval of members for their re-appointment as an Independent Directors alongwith rational for such re-appointment is being sought vide Item Nos. 5 & 6 in Notice of the Annual Report.

During the year, the Board of Directors elevated the role of Mr. Mark Griffiths from Director & Global CEO of the Company to new role of Director (Global Marketing & Strategy) w.e.f. 7th February, 2019.

Directors' Report (Contd.)

Key Managerial Personnel

During the year, Mr. Arpit J. Vyas, who was Managing Director and CFO of the Company, has been elevated to the role of Global Managing Director and in view of the said new role, on his request, Mr. A. J. Vyas has been released from the duty of CFO w.e.f. 28th November, 2018.

The Board of Directors on recommendation of Nomination and Remuneration Committee and Audit Committee appointed Mr. Harshil R. Dalal, Sr. Vice President (Finance & Accounts) of the Company as Global Chief Financial Officer (CFO) w.e.f. 28th November, 2018 with his existing remuneration and to perform the duties which may be performed by Key Managerial Personnel of the Company under the Companies Act, 2013.

During the year, Mr. Janmejay R. Vyas who was Chairman & Managing Director of the Company has decided to step down from the role of Managing Director with effect from 18th February, 2019 as part of the Company's succession plan and his roles & responsibilities shall be handed over to Mr. Arpit J. Vyas, Global Managing Director of the Company.

Statement of Declaration by Independent Directors

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, read with Regulations 16 and 25(8) of the SEBI (LODR) Regulation, 2015 ("Listing Regulations") that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the Listing Regulations.

Also, Independent Directors affirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act as well as Code of Conduct for Directors and senior management personnel formulated by the Company.

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 <https://www.dishmangroup.com/Files/DishmanGroup/Investor-Relations/Policy%20on%20Remuneration%20of%20Directors,%20Key%20Managerial%20Personnel%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**.

Directors' Report (Contd.)

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 <https://www.dishmangroup.com/Files/DishmanGroup/Investor-Relations/Familiarisation%20Programme.pdf>.

INDEPENDENT DIRECTORS' MEETING

A Separate meeting of Independent Directors held on 23rd January, 2019 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 :

- in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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

The Board of Directors has constituted a Risk Management Committee on 23rd January, 2019 in compliance with the provisions of SEBI (LODR) Regulations, 2015. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Director's Report.

Risk management is an integral part of business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on Existing management practices, knowledge and structures.

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Directors' Report (Contd.)

ANNEXURE A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019
[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	17 th July, 2007
3.	Name of the Company	Dishman Carbogen Amcis Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380009, Gujarat Contact No. : +91-02717-420102/124 Email: grievance@dishmangroup.com Website: www.dishmangroup.com
6.	Whether listed company Yes / No	Yes, Listed Company
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd. 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	Adimans Technologies LLP [Formerly known as Adimans Technologies Pvt. Ltd. ("ATPL") and before merger of Bhadra- Raj Holdings Pvt. Ltd. into ATPL] 1st Floor Bhadra Raj Chambers, Nr Swastik Char Rasta, Navrangpura, Ahmedabad – 380009	AAO-1469	Holding	61.40%	2(46)
2	Dishman Europe Ltd. Suite 4 De Walden Court, 85 New Cavendish Street, London, W1W 6XD United Kingdom	N.A.	Subsidiary	100%	2(87)
3	Dishman USA. Inc. 476, Union Avenue, Second Floor, Middlesex, NJ 08846	N.A.	Subsidiary	100%	2(87)

Directors' Report (Contd.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate Company	% of shares held	Applicable Section
4	CARBOGEN AMCIS (Shanghai) Co., Ltd. No. 69 Shungong Road, Shanghai Chemical Industry Park, Shanghai 201507, China	N.A.	Subsidiary	100%	2(87)
5	Carbogen Amcis Holding AG Hauptstrasse 171, CH-4416 Bubendorf, Switzerland	N.A.	Subsidiary	100%	2(87)
6	Dishman International Trade (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)
7	CARBOGEN AMCIS AG Hauptstrasse 171 CH-4416 Bubendorf, Switzerland	N.A.	Subsidiary	100%	2(87)
8	CARBOGEN AMCIS Ltd. 303 Clayton Lane, Clayton, Manchester, M11 4SX UK	N.A.	Subsidiary	100%	2(87)
9	CARBOGEN AMCIS B. V. (Formerly known as Dishman Netherlands B. V.) Nieuweweg 2A, 3901BE, Veenendaal, The Netherlands	N.A.	Subsidiary	100%	2(87)
10	Dishman CARBOGEN AMCIS (Japan) Ltd. (Formerly known as Dishman Japan Ltd.) Tokyo Club Bldg. 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo 100-0013, Japan	N.A.	Subsidiary	100%	2(87)
11	Dishman Australasia Pty. Ltd. Unit 1012 3, Herbert Street, ST LEONARDS, NSW 2065	N.A.	Subsidiary	100%	2(87)
12	Dishman Middle East (FZE) P.O.Box No. 122685, Sharjah – U.A.E.	N.A.	Subsidiary	100%	2(87)
13	CARBOGEN AMCIS SAS, France 10 Rue des Boules, F-63200 Riom, France	N.A.	Subsidiary	100%	2(87)
14	Shanghai YiQian International Trade Co., Ltd. Room 1101, Building 3, 215 Lianhe Road, Fengxian District, Shanghai 201417, China	N.A.	Subsidiary	100%	2(87)
15	Dishman Carbogen Amcis (Singapore) Pte. Limited 600 North Bridge Road, #05-01, Parkview Square, Singapore 188778	N.A.	Subsidiary	100%	2(87)

Directors' Report (Contd.)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	5000	0	5000	0.0031%	5000	0	5000	0.0031%	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	99091898	0	99091898	61.3974%	0	0	0	0.00%	- 61.3974%
e. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Any Other	0	0	0	0.00%	99091898	0	99091898	61.3974%	61.3974%
Sub-Total (A)(1)	99096898	0	99096898	61.4005%	99096898	0	99096898	61.4005%	0.00%
2. Foreign									
a. NRI-Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b. Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. Body Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Bank/ FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total- (A)(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Shareholder of Promoter (A) = (A)(1) + (A)(2)	99096898	0	99096898	61.4005%	99096898	0	99096898	61.4005%	0.00%
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	18113524	0	18113524	11.2232%	18905908	0	18905908	11.7141%	0.4909%
b. Bank/ FIs	473580	0	473580	0.2934%	246611	0	246611	0.1528%	-0.1406%
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	15555086	0	15555086	9.6379%	11502745	0	11502745	7.1271%	-2.5108%
h. Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
i. Others (Alternate Investment Fund)	2140316	0	2140316	1.3261%	2753352	0	2753352	1.7060%	0.3799%
Sub Total- (B)(1)	36282506	0	36282506	22.4807%	33408616	0	33408616	20.7000%	-1.7807%
2. Non - Institutions									
a. Body Corporates									
i) Indian	3092369	0	3092369	1.9160%	3246344	0	3246344	2.0114%	0.0954%
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	17496564	2191	17498755	10.8422%	20293676	1181	20294857	12.5746%	1.7324%
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	3441436	0	3441436	2.1323%	2929955	0	2929955	1.8154%	-0.3169%
c. Others (specify)									
i) NRI (Rep.)	746324	1	746325	0.4624%	982817	1	982818	0.6090%	0.1466%
ii) NRI (Non-Rep.)	200319	1	200320	0.1241%	298919	1	298920	0.1852%	0.0611%
iii) IEPF	1472	0	1472	0.0009%	3682	0	3682	0.0023%	0.0013%
iv) OCB	0	0	0	0.00%	0	0	0	0.00%	0.00%
v) Trust	3380	0	3380	0.0021%	4026	0	4026	0.0025%	0.0004%
vi) Clearing Member	298971	0	298971	0.1852%	233899	0	233899	0.1449%	-0.0403%
vii) Independent Directors & Relatives and their holding	67300	0	67300	0.0417%	68863	0	68863	0.0427%	0.0010%
viii) HUF	664390	150	664540	0.4117%	773188	0	773188	0.4791%	0.0674%
ix) NBFCs registered with RBI	0	0	0	0.0000%	52206	0	52206	0.0323%	0.0323%
Sub Total- (B)(2)	26012525	2343	26014868	16.1188%	28887575	1183	28888758	17.8995%	1.7807%
Total Public Shareholding (B) = (B)(1) + (B)(2)	62295031	2343	62297374	38.5995%	62296191	1183	62297374	38.5995%	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)	161391929	2343	161394272	100.00%	161393089	1183	161394272	100.00%	0.00%

Directors' Report (Contd.)

(ii) Shareholding of Promoter/Promoter Group

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

* Scheme of Amalgamation amongst Bhadra Raj Holdings Private Limited ("Transferor Company") and Adimans Technologies Private Limited ("Transferee Company") and their respective shareholders and creditors has been approved by Hon'ble NCLT, Ahmedabad Bench vide its order dated 14th November, 2018. By virtue of said order, Bhadra Raj Holdings Private Limited has been merged into Adimans Technologies Private Limited and ceased to exist w.e.f. 1st December, 2018 (date of filing of certified copy of said order with ROC).

Subsequently, Adimans Technologies Private Limited has converted into Limited Liability Partnership viz. Adimans Technologies LLP vide certificate of registration on conversion dated 28th January, 2019 issued by Registrar of Companies - Ministry of Corporate Affairs. By virtue of said conversion, Adimans Technologies Private Limited ceased to exist w.e.f. 28th January, 2019 (date of conversion).

Directors' Report (Contd.)

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

SN	Particulars	No. of Shares at the beginning (01-04-2018)	% of total shares of the company	Date	Increase/Decrease in Share Holding	Reason	No. of Shares end of the year (31-03-2019)	% of total shares of the company
1	M/s. Bhadra- Raj Holdings Pvt. Ltd.	99091898	61.40%	01/12/2018	(99091898)	Transfer under Scheme of Amalgamation	0	0.00%
2	Adimans Technologies LLP	0	0.00%	28/01/2019	99091898	Acquire upon conversion of Company into LLP	99091898	61.40%
3	Mr. Janmejy R. Vyas	1000	0.00%	NA	NIL	NA	1000	0.00%
4	Mrs. Deohooti J. Vyas	1000	0.00%	NA	NIL	NA	1000	0.00%
5	Mr. Arpit J. Vyas	1000	0.00%	NA	NIL	NA	1000	0.00%
6	Ms. Aditi J. Vyas	1000	0.00%	NA	NIL	NA	1000	0.00%
7	Ms. Mansi J. Vyas	1000	0.00%	NA	NIL	NA	1000	0.00%
8	Saloni A. Vyas	0	0.00%	NA	NIL	NA	0	0.00%
9	Janmejy Rajnikant Vyas - HUF	0	0.00%	NA	NIL	NA	0	0.00%
10	Adimans Technologies Pvt. Ltd.	0	0.00%	01/12/2018	99091898	Transfer under Scheme of Amalgamation	99091898	61.40%
		99091898	61.40%	28/01/2019	(99091898)	Transfer upon conversion of Company into LLP	0	0.00%
11	Azafran Innovacion Ltd	0	0.00%	NA	NIL	NA	0	0.00%
12	Dishman Biotech Ltd	0	0.00%	NA	NIL	NA	0	0.00%
13	Dishman Infrastructure Ltd	0	0.00%	NA	NIL	NA	0	0.00%
14	B R Laboratories Limited	0	0.00%	NA	NIL	NA	0	0.00%
15	Leon Hospitality Pvt. Ltd	0	0.00%	NA	NIL	NA	0	0.00%
16	Aham Brahmasmi Entertainment Pvt. Ltd.	0	0.00%	NA	NIL	NA	0	0.00%
17	Discus IT Private Limited	0	0.00%	NA	NIL	NA	0	0.00%
18	Adiman Ventures	0	0.00%	NA	NIL	NA	0	0.00%
19	Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
20	Janmejy Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
21	Deohooti Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
22	Arpit Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
23	Aditi Vyas Family Trust	0	0.00%	NA	NIL	NA	0	0.00%
24	Mansi Shodhan Family Trust	0	0.00%	NA	NIL	NA	0	0.00%

Directors' Report (Contd.)

(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 (01-04-2018)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)		
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	
1	TATA MUTUAL FUND - TATA HYBRID EQUITY FUND	2321662	1.44%	25 May 2018	(662662)	Transfer	1659000	1.03%	
				08 Jun 2018	(100000)	Transfer	1559000	0.97%	
				20 Jul 2018	1516500	Transfer	3075500	1.91%	
				10 Aug 2018	596200	Transfer	3671700	2.28%	
				17 Aug 2018	188000	Transfer	3859700	2.39%	
				31 Aug 2018	682352	Transfer	4542052	2.81%	
				07 Sep 2018	82000	Transfer	4624052	2.87%	
				14 Sep 2018	35305	Transfer	4659357	2.89%	
				29 Sep 2018	75000	Transfer	4734357	2.93%	
				12 Oct 2018	14500	Transfer	4748857	2.94%	
				19 Oct 2018	25000	Transfer	4773857	2.96%	
				16 Nov 2018	300000	Transfer	5073857	3.14%	
				07 Dec 2018	25000	Transfer	5098857	3.16%	
				5098857	3.16%	31 Mar 2019		5098857	3.16%
		2	ICICI PRUDENTIAL PHARMA HEALTHCARE AND DIAGNOSTICS (P.H.D) FUND	0	0.00%	13 Apr 2018	26440	Transfer	26440
				20 Apr 2018	4349	Transfer	30789	0.02%	
				27 Apr 2018	24211	Transfer	55000	0.03%	
				04 May 2018	5245	Transfer	60245	0.04%	
				11 May 2018	15255	Transfer	75500	0.05%	
				06 Jul 2018	17187	Transfer	92687	0.06%	
				13 Jul 2018	81181	Transfer	173868	0.11%	
				20 Jul 2018	208670	Transfer	382538	0.24%	
				27 Jul 2018	224051	Transfer	606589	0.38%	
				03 Aug 2018	886098	Transfer	1492687	0.92%	
				10 Aug 2018	428178	Transfer	1920865	1.19%	
				17 Aug 2018	1036822	Transfer	2957687	1.83%	
				31 Aug 2018	(8149)	Transfer	2949538	1.83%	
				07 Sep 2018	(1220)	Transfer	2948318	1.83%	
				14 Sep 2018	(93423)	Transfer	2854895	1.77%	
				29 Sep 2018	7496	Transfer	2862391	1.77%	
				05 Oct 2018	215569	Transfer	3077960	1.91%	
				12 Oct 2018	13416	Transfer	3091376	1.92%	
				19 Oct 2018	50432	Transfer	3141808	1.95%	
				26 Oct 2018	338206	Transfer	3480014	2.16%	
		02 Nov 2018	21356	Transfer	3501370	2.17%			
		09 Nov 2018	11934	Transfer	3513304	2.18%			
		16 Nov 2018	103759	Transfer	3617063	2.24%			
		23 Nov 2018	41877	Transfer	3658940	2.27%			
		30 Nov 2018	14331	Transfer	3673271	2.28%			
		07 Dec 2018	151149	Transfer	3824420	2.37%			
		14 Dec 2018	36859	Transfer	3861279	2.39%			
		21 Dec 2018	14760	Transfer	3876039	2.40%			
		28 Dec 2018	18751	Transfer	3894790	2.41%			
		04 Jan 2019	91717	Transfer	3986507	2.47%			
		11 Jan 2019	21712	Transfer	4008219	2.48%			
		18 Jan 2019	6000	Transfer	4014219	2.49%			
		01 Feb 2019	350000	Transfer	4364219	2.70%			
		08 Feb 2019	138353	Transfer	4502572	2.79%			
		4502572	2.79%	31 Mar 2019		4502572	2.79%		

Directors' Report (Contd.)

(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 (01-04-2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
3	IDFC FOCUSED EQUITY FUND	2965030	1.84%	06 Apr 2018	52899	Transfer	3017929	1.87%
				13 Apr 2018	6361	Transfer	3024290	1.87%
				27 Apr 2018	69005	Transfer	3093295	1.92%
				04 May 2018	995	Transfer	3094290	1.92%
				18 May 2018	9580	Transfer	3103870	1.92%
				25 May 2018	350025	Transfer	3453895	2.14%
				01 Jun 2018	139096	Transfer	3592991	2.23%
				08 Jun 2018	20904	Transfer	3613895	2.24%
				22 Jun 2018	30395	Transfer	3644290	2.26%
				30 Jun 2018	25000	Transfer	3669290	2.27%
				06 Jul 2018	59647	Transfer	3728937	2.31%
				20 Jul 2018	14353	Transfer	3743290	2.32%
				03 Aug 2018	75121	Transfer	3818411	2.37%
				10 Aug 2018	21365	Transfer	3839776	2.38%
				17 Aug 2018	23514	Transfer	3863290	2.39%
				31 Aug 2018	(15000)	Transfer	3848290	2.38%
				07 Sep 2018	(8900)	Transfer	3839390	2.38%
				14 Sep 2018	50000	Transfer	3889390	2.41%
				29 Sep 2018	20000	Transfer	3909390	2.42%
				05 Oct 2018	28900	Transfer	3938290	2.44%
				12 Oct 2018	53491	Transfer	3991781	2.47%
				02 Nov 2018	(91)	Transfer	3991690	2.47%
				09 Nov 2018	15636	Transfer	4007326	2.48%
				07 Dec 2018	(22995)	Transfer	3984331	2.47%
				14 Dec 2018	20580	Transfer	4004911	2.48%
				04 Jan 2019	25000	Transfer	4029911	2.50%
				18 Jan 2019	779	Transfer	4030690	2.50%
				25 Jan 2019	45878	Transfer	4076568	2.53%
				01 Feb 2019	130028	Transfer	4206596	2.61%
08 Feb 2019	30294	Transfer	4236890	2.63%				
15 Feb 2019	5200	Transfer	4242090	2.63%				
01 Mar 2019	54800	Transfer	4296890	2.66%				
15 Mar 2019	105000	Transfer	4401890	2.73%				
22 Mar 2019	15000	Transfer	4416890	2.74%				
29 Mar 2019	48001	Transfer	4464891	2.77%				
	4464891	2.77%	31 Mar 2019			4464891	2.77%	
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY FUND	2402507	1.49%	13 Apr 2018	(100000)	Transfer	2302507	1.43%
				04 May 2018	(249100)	Transfer	2053407	1.27%
				03 Aug 2018	45000	Transfer	2098407	1.30%
				10 Aug 2018	42000	Transfer	2140407	1.33%
				29 Sep 2018	25017	Transfer	2165424	1.34%
				01 Feb 2019	260000	Transfer	2425424	1.50%
	2425424	1.50%	31 Mar 2019			2425424	1.50%	

Directors' Report (Contd.)

(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 (01-04-2018)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
5	GOVERNMENT PENSION FUND GLOBAL	3143385	1.95%	06 Apr 2018	27604	Transfer	3170989	1.96%
				22 Jun 2018	(17114)	Transfer	3153875	1.95%
				30 Jun 2018	(81486)	Transfer	3072389	1.90%
				06 Jul 2018	(94848)	Transfer	2977541	1.84%
				13 Jul 2018	(40426)	Transfer	2937115	1.82%
				20 Jul 2018	(10563)	Transfer	2926552	1.81%
				27 Jul 2018	(38898)	Transfer	2887654	1.79%
				03 Aug 2018	(39942)	Transfer	2847712	1.76%
				10 Aug 2018	(96076)	Transfer	2751636	1.70%
				17 Aug 2018	(19174)	Transfer	2732462	1.69%
				24 Aug 2018	(258882)	Transfer	2473580	1.53%
				31 Aug 2018	(169852)	Transfer	2303728	1.43%
				07 Sep 2018	(46914)	Transfer	2256814	1.40%
				14 Sep 2018	(156753)	Transfer	2100061	1.30%
				21 Sep 2018	(35870)	Transfer	2064191	1.28%
				29 Sep 2018	(41484)	Transfer	2022707	1.25%
				05 Oct 2018	(33477)	Transfer	1989230	1.23%
				12 Oct 2018	76310	Transfer	2065540	1.28%
				19 Oct 2018	238570	Transfer	2304110	1.43%
				26 Oct 2018	(5217)	Transfer	2298893	1.42%
				16 Nov 2018	(21069)	Transfer	2277824	1.41%
				23 Nov 2018	(53105)	Transfer	2224719	1.38%
				30 Nov 2018	(37527)	Transfer	2187192	1.36%
				07 Dec 2018	(19643)	Transfer	2167549	1.34%
				14 Dec 2018	(21876)	Transfer	2145673	1.33%
21 Dec 2018	(18025)	Transfer	2127648	1.32%				
28 Dec 2018	(1653)	Transfer	2125995	1.32%				
04 Jan 2019	(11004)	Transfer	2114991	1.31%				
11 Jan 2019	(30197)	Transfer	2084794	1.29%				
18 Jan 2019	(44836)	Transfer	2039958	1.26%				
25 Jan 2019	(64732)	Transfer	1975226	1.22%				
01 Feb 2019	(25392)	Transfer	1949834	1.21%				
08 Feb 2019	(3526)	Transfer	1946308	1.21%				
15 Feb 2019	(9315)	Transfer	1936993	1.20%				
15 Mar 2019	(26498)	Transfer	1910495	1.18%				
22 Mar 2019	(6538)	Transfer	1903957	1.18%				
29 Mar 2019	(5493)	Transfer	1898464	1.18%				
	1898464	1.18%	31 Mar 2019			1898464	1.18%	
6	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	7999531	4.96%	04 May 2018	25000	Transfer	8024531	4.97%
				25 May 2018	(933716)	Transfer	7090815	4.39%
				01 Jun 2018	(59848)	Transfer	7030967	4.36%
				30 Jun 2018	(300000)	Transfer	6730967	4.17%
				20 Jul 2018	(1828421)	Transfer	4902546	3.04%
				27 Jul 2018	(420000)	Transfer	4482546	2.78%
				03 Aug 2018	(776013)	Transfer	3706533	2.30%
10 Aug 2018	(145740)	Transfer	3560793	2.21%				

Directors' Report (Contd.)

(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 (01-04-2018)	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)
			17 Aug 2018	(1144276)	Transfer	2416517 1.50%
			24 Aug 2018	(590000)	Transfer	1826517 1.13%
			31 Aug 2018	(103310)	Transfer	1723207 1.07%
			23 Nov 2018	51381	Transfer	1774588 1.10%
			30 Nov 2018	223163	Transfer	1997751 1.24%
			07 Dec 2018	16233	Transfer	2013984 1.25%
			15 Feb 2019	(3371)	Transfer	2010613 1.25%
			01 Mar 2019	(84689)	Transfer	1925924 1.19%
			08 Mar 2019	(521921)	Transfer	1404003 0.87%
			15 Mar 2019	(93145)	Transfer	1310858 0.81%
			29 Mar 2019	(11939)	Transfer	1298919 0.80%
		1298919 0.80%	31 Mar 2019			1298919 0.80%
7	LSV EMERGING MARKETS EQUITY FUND LP	2163500 1.34%	10 Aug 2018	(42056)	Transfer	2121444 1.31%
			17 Aug 2018	(31421)	Transfer	2090023 1.30%
			24 Aug 2018	(114144)	Transfer	1975879 1.22%
			31 Aug 2018	(86827)	Transfer	1889052 1.17%
			07 Sep 2018	(48599)	Transfer	1840453 1.14%
			14 Sep 2018	(55790)	Transfer	1784663 1.11%
			21 Sep 2018	(23240)	Transfer	1761423 1.09%
			29 Sep 2018	(40435)	Transfer	1720988 1.07%
			05 Oct 2018	(34036)	Transfer	1686952 1.05%
			12 Oct 2018	(11347)	Transfer	1675605 1.04%
			19 Oct 2018	(28140)	Transfer	1647465 1.02%
			26 Oct 2018	(17087)	Transfer	1630378 1.01%
			02 Nov 2018	(14155)	Transfer	1616223 1.00%
			09 Nov 2018	(13694)	Transfer	1602529 0.99%
			16 Nov 2018	(25325)	Transfer	1577204 0.98%
			23 Nov 2018	(31645)	Transfer	1545559 0.96%
			30 Nov 2018	(15984)	Transfer	1529575 0.95%
			07 Dec 2018	(42680)	Transfer	1486895 0.92%
			14 Dec 2018	(35268)	Transfer	1451627 0.90%
			21 Dec 2018	(17492)	Transfer	1434135 0.89%
			28 Dec 2018	(2835)	Transfer	1431300 0.89%
			25 Jan 2019	(35170)	Transfer	1396130 0.87%
			01 Feb 2019	(198467)	Transfer	1197663 0.74%
			08 Feb 2019	(60061)	Transfer	1137602 0.70%
			15 Feb 2019	(6219)	Transfer	1131383 0.70%
			01 Mar 2019	(28807)	Transfer	1102576 0.68%
			08 Mar 2019	(37096)	Transfer	1065480 0.66%
			15 Mar 2019	(13180)	Transfer	1052300 0.65%
		1052300 0.65%	31 Mar 2019			1052300 0.65%
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	1414095 0.88%	03 Aug 2018	(23065)	Transfer	1391030 0.86%
			10 Aug 2018	(18412)	Transfer	1372618 0.85%
			24 Aug 2018	(19989)	Transfer	1352629 0.84%
			31 Aug 2018	(24819)	Transfer	1327810 0.82%
			07 Sep 2018	(11650)	Transfer	1316160 0.82%

Directors' Report (Contd.)

(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 (01-04-2018)	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)
			14 Sep 2018	(10134)	Transfer	1306026 0.81%
			21 Sep 2018	(24880)	Transfer	1281146 0.79%
			29 Sep 2018	(39119)	Transfer	1242027 0.77%
			05 Oct 2018	(31706)	Transfer	1210321 0.75%
			12 Oct 2018	(14473)	Transfer	1195848 0.74%
			19 Oct 2018	(22221)	Transfer	1173627 0.73%
			26 Oct 2018	(40200)	Transfer	1133427 0.70%
			02 Nov 2018	(20998)	Transfer	1112429 0.69%
			30 Nov 2018	(4416)	Transfer	1108013 0.69%
			07 Dec 2018	(15405)	Transfer	1092608 0.68%
			15 Feb 2019	(14405)	Transfer	1078203 0.67%
			01 Mar 2019	(9125)	Transfer	1069078 0.66%
			08 Mar 2019	(21529)	Transfer	1047549 0.65%
			15 Mar 2019	(14330)	Transfer	1033219 0.64%
			22 Mar 2019	(3988)	Transfer	1029231 0.64%
			29 Mar 2019	(15922)	Transfer	1013309 0.63%
		1013309 0.63%	31 Mar 2019			1013309 0.63%
9	TEJAS BHALCHANDRA TRIVEDI	1000000 0.62%				1000000 0.62%
		1000000 0.62%	31 Mar 2019			1000000 0.62%
10	PRINCIPAL MULTI CAP GROWTH FUND	453018 0.28%	20 Apr 2018	(15000)	Transfer	438018 0.27%
			01 Jun 2018	43000	Transfer	481018 0.30%
			08 Jun 2018	141800	Transfer	622818 0.39%
			22 Jun 2018	889	Transfer	623707 0.39%
			06 Jul 2018	26	Transfer	623733 0.39%
			20 Jul 2018	(24)	Transfer	623709 0.39%
			03 Aug 2018	23	Transfer	623732 0.39%
			24 Aug 2018	3000	Transfer	626732 0.39%
			07 Sep 2018	6000	Transfer	632732 0.39%
			21 Sep 2018	3000	Transfer	635732 0.39%
			12 Oct 2018	3000	Transfer	638732 0.40%
			26 Oct 2018	70000	Transfer	708732 0.44%
			28 Dec 2018	9000	Transfer	717732 0.44%
			01 Feb 2019	50000	Transfer	767732 0.48%
			08 Mar 2019	91000	Transfer	858732 0.53%
			22 Mar 2019	(61)	Transfer	858671 0.53%
		858671 0.53%	31 Mar 2019			858671 0.53%
11	INDIA ACORN FUND LTD.	895936 0.56%	19 Oct 2018	(130500)	Transfer	765436 0.47%
			09 Nov 2018	(25000)	Transfer	740436 0.46%
			23 Nov 2018	(15800)	Transfer	724636 0.45%
		724636 0.45%	31 Mar 2019			724636 0.45%
12	UTI- BALANCED FUND	1623607 1.01%	20 Apr 2018	(300000)	Transfer	1323607 0.82%
			27 Apr 2018	(299990)	Transfer	1023617 0.63%
			04 May 2018	(416811)	Transfer	606806 0.38%
			15 Jun 2018	(30810)	Transfer	575996 0.36%
			03 Aug 2018	(273477)	Transfer	302519 0.19%
			10 Aug 2018	(166466)	Transfer	136053 0.08%
			21 Sep 2018	(30832)	Transfer	105221 0.07%
			07 Jan 2019	(105221)	Transfer	0 0.00%
		0 0.00%	31 Mar 2019			0 0.00%

Directors' Report (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP Name of the Director/KMP	Shareholding at the beginning of the year 1st April, 2018		Shareholding at the end of the year 31st March, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Janmejy R. Vyas	1000	0.00%	1000	0.00%
2	Deohooti J. Vyas	1000	0.00%	1000	0.00%
3	Arpit J. Vyas	1000	0.00%	1000	0.00%
4	Ashok C. Gandhi	0	0.00%	0	0.00%
5	Sanjay S. Majmudar	24700	0.01%	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%
10	Harshil R. Dalal*	0	0.00%	0	0.00%

*Appointed as Global Chief Financial Officer w.e.f. 28th November, 2018

V. INDEBTEDNESS

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

Particulars	Secured Loans		Deposits	Total Indebtness
	Excluding Deposits	Unsecured Loans		
Indebtedness at the Beginning of the financial year-01.04.2018				
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
Change in Indebtedness during the financial year				
+ Addition	34.61	53.34	-	87.95
-Reduction	(115.84)	(16.06)	-	(131.90)
+ / - Addition/ (Reduction) \$	6.74	-	-	6.74
Net change	(74.49)	37.28	-	(37.21)
Indebtedness at the end of the financial year-31.03.2019				
1) Principal Amount	531.02	53.34	-	584.36
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.68	-	-	0.68
Total of (1+2+3)	531.70	53.34	-	585.04

\$ Addition is on account of Foreign Exchange Fluctuation

Directors' Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹ In Lacs)
		Mr. Janmejy R. Vyas (Chairman & Managing Director)*	Mr. Arpit J. Vyas (Global Managing Director)**	Mrs. Deohooti J. Vyas (Whole-time Director)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	120.00	120.00	240.00
	(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	158.22	-	-	158.22
	- Others, specify	-	-	-	-
5	Others, please specify				
	Provident Fund & other Funds	-	-	-	-
	Performance Bonus	-	-	-	-
	Total (A)	158.22	120.00	120.00	398.22
	Ceiling as per the Act	10% of the net profits of the Company			

* Mr. Janmejy R. Vyas who was Chairman & Managing Director of the Company has decided to step down from the role of Managing Director with effect from 18th February, 2019.

** Mr. Arpit J. Vyas, who was Managing Director and CFO of the Company has been released from the duty of CFO w.e.f. 28th November, 2018.

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	4.00	3.80	3.00	1.20	12.00
Commission	15.00	11.00	10.25	8.00	44.25
Others, please specify					-
Total (1)	19.00	14.80	13.25	9.20	56.25

II. Other Non-Executive Directors :-

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

Directors' Report (Contd.)

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

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount (₹ In Lacs)
		Ms. Shrima Dave (Company Secretary)	Mr. Harshil R. Dalal (Global CFO)*	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.77	29.62	36.39
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-		-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission			
	- As % of Profit	-		-
	- Others, specify	-		-
5	Others, please specify			
	Contribution to Provident Fund	0.21	0.07	0.28
	Total (C)	6.98	29.69	36.67

*Appointed as Global Chief Financial Officer w.e.f. 28th November, 2018

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

Directors' Report (Contd.)

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/debit 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, as per Section 188 of the Act and Regulation 23 of SEBI (LODR) Regulations, 2015, arm length material contracts or arrangements above 10% of the Standalone and Consolidated Turnover, respectively, if any, are being shown as material transactions	270.94
2.	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/debit invoice/debit note, etc. wherever applicable		85.17

Directors' Report (Contd.)

ANNEXURE C

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

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2018-19, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2018-19 are as under:

Sr. No.	Name & Designation	Ratio of Remuneration of Director to Medians Remuneration of employees	% increase in Remuneration In FY 2018-19 (\$)
		(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
Executive Directors			
1.	Mr. Janmejy R. Vyas, Chairman & Managing Director	47.56:1	-41.98%
2.	Mr. Arpit J. Vyas, Global Managing Director	36.07 : 1	-4.00%
3.	Mrs. Deohooti J. Vyas, Whole-time Director	36.07: 1	-4.00%
Non-executive Director & Independent Directors			
4.	Mr. Sanjay S. Majmudar, Independent Director	4.51:1	18.58%
5.	Mr. Ashok C. Gandhi, Independent Director	3.31:1	5.26%
6.	Mr. Mark C. Griffiths, Non-Executive Director	-	-
7.	Mr. Subir Kumar Das, Independent Director	3.08:1	3.54%
8.	Mr. Rajendra S. Shah, Independent Director	2.40:1	3.89%
Key Managerial Personnel			
9.	Ms. Shrima Dave, Company Secretary	2.10:1	10.27%
10.	Mr. Harshil R. Dalal*, Global CFO	26.51:1	*

* Mr. Harshil R. Dalal has been appointed as Global CFO of the Company w.e.f. 28th November, 2018, 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 during the year, Net Profit has been increased, however, Executive Directors voluntarily opt to draw less remuneration.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2018-19 decreased by 0.80%. The calculation of % decreased 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, 2019 was 943.

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 2018-19 was 6.05% (excluding rewards in cash or kinds), whereas the total managerial remuneration (excluding independent Directors) for the same financial year has decreased by 23.82%. 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, also reviewed by Nomination and Remuneration Committee and Board annually.

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.

Directors' Report (Contd.)

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
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A) Personnel who are in receipt of Remuneration aggregating not less than ₹ 1,02,00,000 per annum and employed through out the year:

1.	Mrs. Deohooti J. Vyas	68	Whole-time Director	B.Sc. (Chemistry)	35	1,20,00,000	17/03/2017	B. R. Laboratories, Proprietress
2.	Mr. Arpit J. Vyas	33	Global Managing Director	Chemical Engineer from University of Aston	12	1,20,00,000	17/03/2017	Associated with Azafran Innovacion Ltd., 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 :

3.	Mr. Janmejey R. Vyas	68	Chairman & Managing Director	B.Sc. (Chemistry) B.Sc. (Tech.)	45	1,58,22,537	17/03/2017	Consultant to various Pharmaceutical Co.'s during 1974 to 1983
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* Pursuant to the Scheme of Arrangement & Amalgamation, all three whole-time directors of erstwhile DPCL have been appointed in the Company by the Board of Directors of the Company at its meeting held on 17th March, 2017 with their existing terms and conditions as approved by the Board of Directors and Shareholders of erstwhile DPCL.

Notes:

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

For and on behalf of the board

Date: 15/05/2019
Place: Ahmedabad

Janmejey R. Vyas
Chairman
DIN - 00004730

Directors' Report (Contd.)

ANNEXURE E

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2019

[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.

We report that,

- a) 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.
- b) We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- d) Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- e) 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.
- f) 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.

Based on our verification of the Dishman Carbogen Amcis Limited's 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, 2019** 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, 2019 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 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, where applicable;
 - (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Directors' Report (Contd.)

- (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;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India which the company has generally complied with.

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be 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. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
 - ii. The Patents Act, 1970
 - iii. The Trade Marks Act, 1999
 - iv. Indian Boilers Act, 1923
 - v. Pharmacy Act, 1948
 - vi. Drugs and Cosmetics Act, 1940
 - vii. Narcotics Drugs and Psychotropic Substances Act, 1985
 - viii. Food Safety and Standards Act, 2006

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place : Ahmedabad
Date : 15/05/2019

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

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

* 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

* Insolvency Professional (IP) registered with Insolvency and Bankruptcy Board of India (IBBI) (IP Registration No. IBBI/IPA-002/IP-N00329/2017- 18/10934)

Directors' Report (Contd.)

ANNEXURE F

A. CONSERVATION OF ENERGY

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

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

Your Company has become a trading and self clearing member of Power Exchange of India Limited (PXIL) from 2nd April, 2012 and presently Abellon Clean Energy Ltd., doing daily power trading bid on behalf of the Company. Last year, the Company has also replaced High voltage Lamps, CFL and Mercury lamps with LED lights and through replacement of LED light, Company got benefit of ₹ 22.61 lacs with two years replacement warranty. 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, got benefit of ₹ 56.37 lacs without any capital investment.

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. During the year Company has invested in its R & D activities to the level of 2.66% 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	0.82
Recurring	13.77
Total	14.59
Total R & D Expenditure as a percentage of Total Turnover	2.66%

• TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

Last year, 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 ₹ 481.72 Crores during the year from ₹ 410.29 Crores during the previous year. The export sales constitute 94.45% of the total net sales of the Company during financial year 2018-2019. 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, 2019	Year ended 31st March, 2018
Total Foreign exchange expenditures	14.49	12.60
Total Foreign exchange earnings	512.82	455.23

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.

Directors' Report (Contd.)

		<p>2 Education and knowledge enhancement, including, but not limited to:</p> <p>(1) Establishment and management of educational and knowledge enhancement infrastructure.</p> <p>(2) Providing financial and/or other assistance to the needy and/or deserving students.</p> <p>(3) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.</p> <p>(4) Facilitate enhancement of knowledge and innovation in the educational Agencies.</p> <p>(5) Contribution to technology incubators located within academic institutions which are approved by the Central Government.</p> <p>3 Social care and concern, including, but not limited to:</p> <p>(1) Creating Public awareness</p> <p>(2) Protection and upgradation of environment including ensuring ecological balance and related activities.</p> <p>(3) Rural development projects</p> <p>(4) Others:</p> <p>a. Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.</p> <p>b. Providing assistance to institutes of credibility involved in areas of social care, including:</p> <ul style="list-style-type: none"> • Preservation of heritage • Animal welfare, social welfare and related matters • Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. <p>c. Other humanitarian activities.</p>
2	The Composition of the CSR Committee	<p>1. Mr. Janmejy R. Vyas (Chairman)</p> <p>2. Mr. Arpit J. Vyas (Global Managing Director)</p> <p>3. Mr. Sanjay S. Majmudar (Independent Director)</p>
3	Average net profit of the company for last three financial years	₹ 1127.67 Lacs
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 22.55 Lacs
5	Details of CSR spent during the financial year.	
	(1) Total amount to be spent for the F.Y.	₹ 40 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.

Directors' Report (Contd.)

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	25,00,000	25,00,000	25,00,000	Through YUVA Unstoppable (NGO)
2.	Constructing School and Hostels in Trible Area	Palanpur, Banaskantha District, Gujarat	Education - (Educational awareness to female education)	15,00,000	15,00,000	15,00,000	Through Shree Rajput Kelvani Sahayak Mandal (Trust)
Total				40,00,000	40,00,000	40,00,000	

Note: The details of CSR activities/ projects are also described on Page Nos. 26 & 27 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.

Place: Ahmedabad

Date: 15/05/2019

For and on behalf of the Board

Janmejay R. Vyas
Chairman of CSR Committee
DIN – 00004730

Arpit J. Vyas
Global Managing Director
DIN - 01540057

Directors' Report (Contd.)

ANNEXURE H

BUSINESS RESPONSIBILITY REPORT ("BRR") FOR THE FINANCIAL YEAR 2018-19

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 third BRR for 2018-19 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	01.04.2018 to 31.03.2019
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. BEDAQUILINE 3. NIRAPARIB
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 fourteen 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 (INR)	32.28 Crores
2. Total turnover (INR)	510.06 Crores
3. Total Profit after taxes (INR)	56.01 Crores
4. Total Spending on CSR as percentage of profit After tax	3.55%
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 b) Constructing School and Hostels in Tribble Area For detailed Report on expenditure incurred towards CSR activities during the financial year 2018-19, pl. refer Annexure G of the Board's Report.

Directors' Report (Contd.)

Section C: Other Details

- | | | |
|---|---|---|
| 1 | Does the Company have any Subsidiary Company / Companies? | Yes. The Company has 14 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	Global Managing Director

b) Details of the BR Head:

Sr. No	Particulars	Details
1	DIN (if applicable)	NA
2	Name	Mr. Harshil R. Dalal
3	Designation	Global CFO
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

Directors' Report (Contd.)

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

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

* 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

Directors' Report (Contd.)

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

No.	Questions	P7
1	The company has not understood the Principles	Public Policy Advocacy is 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 Global Managing Director, 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 third 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?	<p>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.</p> <p>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.</p> <p>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.</p> <p>The Company has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment.</p> <p>It extends to Group/Joint Ventures/ Suppliers/ Contractors. These do not extend to other entities.</p>
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Details relating to shareholders' complaints are provided in Corporate Governance Report, which is a part of this Annual Report. However, there was no stakeholder complaint in the reporting period with regard to ethics, bribery and corruption.

Directors' Report (Contd.)

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	<ol style="list-style-type: none"> 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?	<p>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.</p> <p>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.</p> <p>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 45001:2018 for Occupational, Health and Safety Management systems. The company is also certified EN/ISO 13485:2016 for Medical Device Quality Management System for Disinfectant Products.</p> <p>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.</p> <p>The Company is also taking various energy reduction initiatives year on year and achieving the energy reductions through its sustainable initiatives.</p>
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.	<p>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.</p> <p>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.</p>
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?	<p>The Company consciously endeavours to procure 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</p> <ol style="list-style-type: none"> 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 <p>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.</p>
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The waste generated in the Company's operations is either recycled or disposed of in a responsible way in line with legal requirements. Every manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste below the norms prescribed by respective pollution control boards.

Directors' Report (Contd.)

Principle 3: Business should promote the wellbeing of all employees

1	Please indicate total number of employees	943																				
2	Please indicate total number of employees hired on temporary / contractual / casual basis	235 (only Trainees)																				
3	Please indicate the number of permanent women employees	61																				
4	Please indicate the number of permanent employees with disabilities	4																				
5	Do you have an employee association that is recognized by the Management?	The Company does not have an employee association that is recognized by the Management																				
6	What percentage of permanent employees is members of this recognized employee association?	N.A.																				
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not employ any child labour or forced / involuntary labour. The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year																				
8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	<table border="1"> <thead> <tr> <th></th> <th></th> <th>safety training</th> <th>skill up-gradation training</th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>Permanent employees</td> <td>81%</td> <td>48%</td> </tr> <tr> <td>B.</td> <td>Permanent women employees</td> <td>89%</td> <td>50%</td> </tr> <tr> <td>C.</td> <td>Casual / Temporary / Contractual employee</td> <td>93%</td> <td>-</td> </tr> <tr> <td>D.</td> <td>Employees with disabilities</td> <td>100%</td> <td>80%</td> </tr> </tbody> </table>			safety training	skill up-gradation training	A.	Permanent employees	81%	48%	B.	Permanent women employees	89%	50%	C.	Casual / Temporary / Contractual employee	93%	-	D.	Employees with disabilities	100%	80%
		safety training	skill up-gradation training																			
A.	Permanent employees	81%	48%																			
B.	Permanent women employees	89%	50%																			
C.	Casual / Temporary / Contractual employee	93%	-																			
D.	Employees with disabilities	100%	80%																			

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.	<p>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.</p> <p>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.</p> <p>For details of projects undertaken, please refer the Annexure G on "CSR Activities" of Annual Reports.</p>

Directors' Report (Contd.)

Principle 5: Business should respect and promote human rights:

1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / Others?	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 . 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 innovation for new products and process. 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.dishmangroup.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.

Directors' Report (Contd.)

5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has taken various initiatives through QHSE policy, which is being implemented, among others, through (i) Segregation of waste water in terms of High COD and Low COD and treated separately to achieve zero discharge by utilizing treated water for Utility services, washing activities and flushing activities. (ii) Stripper system, Multiple effect evaporator and ATFD for concentrated effluent stream; (iii) Biological Effluent Treatment System, Tertiary treatment, Two Stage R.O. System and Multiple Effect Evaporator for Dilute Stream Effluent. (iv) Practicing On-site emergency plan by conducting mock-drills; (v) Replacement of hazardous process / chemical to non-hazardous process for converting to low hazards; (vi) Fire detection and protection system available at site; (vii) Conducting intensive QHSE Training programs including contractor employees and monitoring the effectiveness of the same (viii) Participation of employees in Safety committee meetings at all levels and celebrating the National Safety Day / Week and World Environment Day as well as observing Fire Service Day (ix) Tree plantation to increase the green cover at site (x) Independent safety and environment audits at regular intervals by third party and also in-house by cross functional team; (xi) In-house medical and health facility at site for pre- employment & periodical medical check-up of all employees including contract employees;(xii) Additional health checkup for employees based on their occupational needs (xiii) 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.dishmangrup.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)
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	The Company interacts with various government departments/regulatory authorities on any public policy framework through GCCI, CII and Pharmexcil. The Company puts forth its views on new standards or regulatory developments pertaining to pharmaceutical manufacturing industry.

Directors' Report (Contd.)

Principle 8: Business should support inclusive growth and equitable development

1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company believes that its corporate social responsibility lies in creating a comprehensive and integrated ecosystem that can deliver affordable and effective healthcare to the less privileged among India's rural and urban population. We also support education initiatives that can impart better learning to the underprivileged students in rural schools and empower communities by providing proper infrastructure for self - sustained villages with health 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 ₹ 40 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 rural areas 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.

DIVIDEND DISTRIBUTION POLICY**1. BACKGROUND, SCOPE PURPOSE AND EFFECTIVE 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)

Directors' Report (Contd.)

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

Your Company believes that good corporate governance is essential for achieving long-term corporate goals of the Company and for the needs and aspirations of its stakeholders including shareholders.

Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions 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. BOARD OF DIRECTORS

(a) Composition

The Company has a very balanced structure of Board of Directors. As on March 31, 2019, 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.

Ms. Maitri K. Mehta (DIN 07549243) has been appointed as an Additional and Independent Director on the Board of the Company w.e.f. 1st April, 2019 and shall hold office up to the date of the ensuing Annual General Meeting as per the provisions of section 161 of the Companies Act, 2013. Ms. Maitri K. Mehta is proposed to be appointed as a regular Director in Independent Director category, not liable to retire by rotation, for a first term of five (5) consecutive years i.e. from 1st April, 2019 to 31st March, 2024.

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 and are independent of the management.

(b) Information on Board of Directors

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

Corporate Governance Report (Contd.)

Names and Categories of the Directors on the Board, Number of other directorship & chairmanship/membership held by them in other companies during the year 2018- 2019 is given below:

Name of Director	Category	India Listed Companies*	No. of Directorship in all Co. including overseas Companies®	No. of Chairmanship/ Membership in other Companies#	
				Chairmanships	Memberships
Mr. Janmejy R. Vyas	Promoter & Executive Director\$	-	5	-	-
Mrs. Deohooti J. Vyas	Promoter & Executive Director	-	5	-	-
Mr. Arpit J. Vyas	Promoter & Executive Director	-	13	-	-
Mr. Mark C. Griffiths	Non-Executive & Non-Independent Director	-	7	-	-
Mr. Sanjay S. Majmudar	Non-Executive & Independent Director	4	7	1	6
Mr. Ashok C. Gandhi	Non-Executive & Independent Director	4	5	1	5
Mr. Subir Kumar Das	Non-Executive & Independent Director	1	4	1	2
Mr. Rajendra S. Shah	Non-Executive & Independent Director	2	9	2	1

* 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)

\$ Mr. J. R. Vyas, was appointed as Chairman & Managing Director of the Company. He has stepped down from the role of Managing Director w.e.f. 18th February, 2019.

Details of Directorship held in other Listed and Unlisted Indian Companies by the Directors alongwith Category:

Name of the Director	Name of other Listed Company	Category of Directorship	Name of other Indian Unlisted Company	Category of Directorship
Mr. Janmejy R. Vyas	-	-	B R Laboratories Limited Dishman Biotech Limited Dishman Infrastructure Limited	Director Director Director
Mrs. Deohooti J. Vyas	-	-	B R Laboratories Limited Dishman Biotech Limited Azafran Innovacion Limited Leon Hospitality Private Limited	Director Director Director Director
Mr. Arpit J. Vyas	-	-	Dishman Biotech Limited Dishman Engineering Xellence Private Limited Leon Hospitality Private Limited Dishman IT Xellence Private Limited Aham Brahmasmi Entertainment Private Limited	Director Director Director Director Director
Mr. Mark C. Griffiths	-	-	-	-
Mr. Sanjay S. Majmudar	Aarvee Denims and Exports Ltd. Ashima Ltd. AIA Engineering Ltd. Welcast Steels Ltd.	Independent Independent Independent Independent	M & B Engineering Limited	Director
Mr. Ashok C. Gandhi	Amol Dicalite Limited Aarvee Denims and Exports Ltd. Bloom Dekor Ltd. Ahmedabad Steel Craft Limited	Independent Independent Independent Independent	-	-
Mr. Subir Kumar Das	Transformers and Rectifiers (India) Limited	Independent	IRM Limited SME Mavens Foundation	Director Director
Mr. Rajendra S. Shah	AIA Engineering Ltd. Welcast Steels Ltd.	Independent Independent	Harsha Engineers Limited Harsha Abakus Solar Private Limited Harsha Engineers (India) Private Limited Harsha Renewable Energy Private Limited	Wholtime Director Director Director Director

Corporate Governance Report (Contd.)

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i. Knowledge:
Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii. Behavioral Skills:
Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii. Experience in managing large corporations:
Experience in leading and managing large corporations and have an understanding of the business environment, complex business processes, strategic planning, risk management, etc. Also, possess experience in driving growth through acquisitions and other integration plans with the ability to evaluate opportunities that are in line with the Company's strategy.
- iv. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- v. Financial and Management skills.
Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes
- vi. Global landscape
- vii. Knowledge of Governance and Law
Understanding of the legal ecosystem within which the Company operates and possess knowledge on matters of regulatory compliance, governance, internal controls. Experience in policy advocacy at national and international level
- viii. Knowledge of technology and innovation.
Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable

(c) Declaration by the Board

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the SEBI LODR. In the opinion of the Board, the Independent Directors fulfil the conditions specified in these sections and regulations and are independent of the management.

(d) Resignation of Independent Director

During the year under review, there is no instance of resignation of an Independent Director.

(e) 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.

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

Eight (8) Board Meetings were held during the year 2018-2019. The dates on which the Board meetings were held are: 16th May, 2018, 1st June, 2018, 2nd July, 2018, 25th July, 2018, 1st November, 2018, 28th November, 2018, 23rd January, 2019 and 30th March, 2019.

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.

Corporate Governance Report (Contd.)

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 2018- 2019 is given below:

Name of Director	No. of Board Meeting held & attended during 2018-2019								Total attended	% of attendance	Whether attended Last AGM held on 20 th September, 2018
	16.05.18 (1)	01.06.18 (2)	02.07.18 (3)	25.07.18 (4)	01.11.18 (5)	28.11.18 (6)	23.01.19 (7)	30.03.19 (8)			
Mr. Janmejy R. Vyas	x	✓	✓	✓	✓	✓	✓	✓	7	87.5	Yes
Mrs. Deohooti J. Vyas	✓	✓	✓	✓	✓	✓	✓	✓	8	100	No
Mr. Arpit J. Vyas	✓	✓	✓	✓	✓	x	✓	✓	7	87.5	Yes
Mr. Mark C. Griffiths	✓	x	x	✓	x	x	✓	x	3	37.5	Yes
Mr. Sanjay S. Majmudar	✓	x	x	✓	✓	✓	✓	✓	6	75	Yes
Mr. Ashok C. Gandhi	✓	x	x	✓	✓	✓	✓	✓	6	75	Yes
Mr. Subir Kumar Das	✓	x	x	✓	✓	✓	✓	✓	6	75	Yes
Mr. Rajendra S. Shah	x	x	x	✓	✓	✓	✓	✓	5	62.5	Yes

✓ - Attended in person x - Leave of Absence

(g) Disclosure of Relationship between Directors inter se

Name of Directors	Relationship with other Directors
Mr. Janmejy R. Vyas	Husband of Mrs. Deohooti J. Vyas, Whole-time Director and Father of Mr. Arpit J. Vyas, Global Managing Director of the Company
Mrs. Deohooti J. Vyas	Wife of Mr. Janmejy R. Vyas, Chairman and Mother of Mr. Arpit J. Vyas, Global Managing Director of the Company
Mr. Arpit J. Vyas	Son of Mr. Janmejy R. Vyas, Chairman and Mrs. Deohooti J. Vyas, Whole-time Director of the Company
Mr. Mark C. Griffiths	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
Mr. Sanjay S. Majmudar	Not, in any way, concerned/ interested/ related with any of the other Directors of the Company.
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.

(h) 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

(i) 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, 2019, duly signed by Chairman 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.

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

Mr. Mark Griffiths, Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Corporate Governance Report (Contd.)

(c) Audit Committee Meetings

Five [5] Audit Committee Meetings were held during the year 2018-2019. The dates on which the Audit Committee Meetings were held are: 16th May, 2018, 25th July, 2018, 1st November, 2018, 28th November, 2018 and 23rd January, 2019.

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 20th September, 2018.

Names of the members on the Committee, their Attendance in the Audit Committee Meetings, % of attendance during the year 2018- 2019 is given below:

Name of Member	No. of Audit Committee Meeting held & attended during 2018-2019					Total attended	% of attendance
	16.05.18 (1)	25.07.18 (2)	01.11.18 (3)	28.11.18 (4)	23.01.19 (5)		
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	✓	5	100
Mr. Ashok C. Gandhi	✓	✓	✓	✓	✓	5	100
Mr. Subir Kumar Das	✓	✓	✓	✓	✓	5	100

✓ - Attended in person × - Leave of Absence

4. 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

Three [3] Nomination and Remuneration Committee ("NRC") Meetings were held during the year 2018-2019. The dates on which the NRC Meetings were held are: 16th May, 2018, 28th November, 2018 and 30th March, 2019.

Names of the members on the Committee, their Attendance in the NRC Meetings, % of attendance during the year 2018-2019 is given below:

Name of Member	No. of Nomination and Remuneration Committee Meeting held & attended during 2018-2019			Total attended	% of attendance
	16.05.18 (1)	28.11.18 (2)	30.03.19 (3)		
Mr. Sanjay S. Majmudar	✓	✓	✓	3	100
Mr. Ashok C. Gandhi	✓	✓	✓	3	100
Mr. Subir Kumar Das	✓	✓	✓	3	100

✓ - Attended in person × - Leave of Absence

The Chairman of the NRC, Mr. Sanjay S. Majmudar was present at the last Annual General Meeting of the Company held on 20th September, 2018.

Corporate Governance Report (Contd.)

(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.
- to recommend to the board, all remuneration, in whatever form, payable to senior management.

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.

Corporate Governance Report (Contd.)

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- 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.

5. Remuneration of Directors

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

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

(b) Disclosures with respect to remuneration:

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

Corporate Governance Report (Contd.)

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 2018-2019 are as follows :

Name & Designation of the Director	Salary/ Remuneration (p.a.)	Perquisites & Allowances	Performance Linked Bonus/ Commission	(₹ In Lacs)
				Stock Options
1. Mr. Janmejy R. Vyas, Chairman & Managing Director *	158.22	Nil	Nil	Nil
2. Mrs. Deohooti J. Vyas, Whole-time Director	120.00	Nil	Nil	Nil
3. Mr. Arpit J. Vyas, Global Managing Director	120.00	Nil	Nil	Nil

* Mr. J. R. Vyas has been stepped down from the role of Managing Director w.e.f. 18th February, 2019.

Apart from remuneration received from the Company, Mr. J. R. Vyas, Chairman of the Company, has also received remuneration for an amount of GBP 7,865 (equivalent to INR 7,08,710/-) per month as a Director from one of the Foreign wholly owned subsidiary company namely Dishman Europe Ltd.

Also, Mr. Arpit J. Vyas, Global Managing Director 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 6,420 (equivalent to INR 5,78,502/-) per month, and CHF 36,024 (equivalent to INR 25,03,074/-) 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 12th Annual General Meeting. Terms of Appointment of the Managing and Whole-time Directors as per the resolutions passed by Board and Shareholders are as under:

I. Executive Directors

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

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

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

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

Note: Mr. J. R. Vyas has been stepped down from the role of Managing Director w.e.f. 18th February, 2019. Hence, after stepping down from the role of Managing Director, he is not eligible for any remuneration as a Managing Director after 18th February, 2019. However, as per Section 197 of the Companies Act, 2013, Mr. J. R. Vyas is eligible for remuneration for rendering services of a professional nature to the Company and for this purpose, a Special Resolution is being proposed at item No.7 in the Notice of this Annual General Meeting.

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

Tenure : five (5) 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

Corporate Governance Report (Contd.)

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.

Note: As per newly introduced Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if it exceed the limits prescribed in the said Regulation 17(6)(e). For this purpose, a Special Resolution is being proposed at item No.8 in the Notice of this Annual General Meeting.

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

Terms as per Re-appointment of Mr. Arpit J. Vyas approved by the Shareholders in their Annual General Meeting held on 20th September, 2018:

Tenure: Five (5) Years w.e.f. 1st June, 2019. 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 ₹ 15.00 lacs (Rupees Fifteen 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 ₹ 20.00 lacs (Rupees Twenty 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: As per newly introduced Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if it exceed the limits prescribed in the said Regulation 17(6)(e). For this purpose, a Special Resolution is being proposed at item No.8 in the Notice of this Annual General Meeting.

II. Non-Executive & Independent Directors

On 20th September, 2018 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 starting from FY ending on 31st March, 2019 upto and including financial year ending on 31st March, 2023 to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and distributed between such Non-Executive Director(s) and in such a manner as the Board of Directors may from time to time determine within the maximum limit of 1% of net profits of the Company, which shall be in addition to the sitting fees being paid by the Company to all the Non-Executive Directors for attending the Board/ Committee meetings of the Company.

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 2018-19 are as under:

(₹ In lacs)			
Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Sanjay S. Majmudar	15.00	4.00
2.	Mr. Ashok C. Gandhi	11.00	3.80
3.	Mr. Subir Kumar Das	10.25	3.00
4.	Mr. Rajendra S. Shah	8.00	1.20

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.

Corporate Governance Report (Contd.)

6. 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 various aspects of shareholders *inter alia* 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 2018-2019 is as follow:

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

(b) Stakeholders' Relationship Committee Meetings:

Four [4] meetings were held during the year 2018-2019. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 16th May, 2018, 25th July, 2018, 1st November, 2018 and 23rd January, 2019.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2018-2019 is given below:

Name of Member	No. of Stakeholders Relationship Committee Meeting held & attended during 2018-2019				Total attended	% of attendance
	16.05.18 (1)	25.07.18 (2)	01.11.18 (3)	23.01.19 (4)		
Mr. Sanjay S. Majmudar	✓	✓	✓	✓	4	100
Mr. Ashok C. Gandhi	✓	✓	✓	✓	4	100
Mr. Janmejy R. Vyas	×	✓	✓	✓	3	75

✓ - 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 20th September, 2018.

(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.

Corporate Governance Report (Contd.)

(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,
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 2018-2019.**

Quarter Period		Quarter-wise Summary of Investors' Complaints received and resolved			
From	To	Opening	Received	Resolved	Pending
01/04/2018	30/06/2018	1	4	4	1
01/07/2018	30/09/2018	1	NIL	1	NIL
01/10/2018	31/12/2018	NIL	2	1	1
01/01/2019	31/03/2019	1	1	1	1

(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 2011-12 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,
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 2010-2011, the seven years completed on 28th August, 2018, the Company has transferred the unpaid or unclaimed dividend amount for the financial year 2010-2011, to the IEPF on 5th September, 2018.

Corporate Governance Report (Contd.)

(g) Due Date for transfer of Unclaimed and Unpaid Dividend and shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more to the IEPF in respect of dividend declared by erstwhile DPCL

Dividend for the Financial Year	Dividend Declaration Date	Proposed due date for transfer of Unclaimed and Unpaid Dividend and shares to the IEPF	Year wise amount of unpaid/unclaimed dividend lying in the unpaid account as on 31/03/2019
2011-12	25 th September, 2012	25 th October, 2019	2,32,029.60
2012-13	30 th July, 2013	29 th August, 2020	2,44,273.20
2013-14	4 th September, 2014	3 rd October, 2021	1,75,854.00
2014-15	29 th September, 2015	28 th October, 2022	1,76,428.00
2015-16 (Interim Dividend)	10 th March, 2016	9 th April, 2023	2,21,868.00
2016-17 (Interim Dividend)	13 th February, 2017	12 th March, 2024	3,10,629.60

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

(h) Details of Unclaimed Shares

As per Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015, 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, 2019 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	NIL	NIL	NIL	NIL	NIL
No. of outstanding unclaimed shares	NIL	NIL	NIL	NIL	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 2018-19, after completing necessary procedure prescribed in the said IEPF Rules, the Company had transferred entire 2,210 equity shares 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.

Pursuant to the IEPF Rules, during the FY 2019-20, total 1192 equity shares amounting to ₹ 2384/- are liable to be transferred to the IEPF on 25th October, 2019.

Corporate Governance Report (Contd.)

7. 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. Janmejy R. Vyas	Chairman	Non-Independent
Mr. Arpit J. Vyas	Member	Non-Independent
Mr. Sanjay S. Majmudar	Member	Independent

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

b) Corporate Social Responsibility (CSR) Committee Meetings:

During the year under review, CSR Committee Meeting was held on 16th May, 2018 where all members were present. The Committee has also passed circular resolutions on 4th February, 2019.

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.

8. RISK MANAGEMENT COMMITTEE

(a) Composition:

The Company has constituted Risk Management Committee on 23rd January, 2019 pursuant to the SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th may, 2018 read with Regulation 21 of SEBI (LODR) Regulations, 2015. The constitution, composition and functioning of the Risk Management Committee also meets the requirements of Regulation 21 of SEBI (LODR) Regulations, 2015.

The present composition of the Risk Management Committee during the financial year 2018-2019 is as follow:

Name	Designation	Category
Mr. Janmejy R. Vyas	Chairman	Executive Director
Mr. Arpit J. Vyas	Member	Executive Director
Mr. Harshil R. Dalal	Member	Global CFO

(b) Roles:

1. To monitor and review the risk management plan including Cyber security;
2. To assess the Company's risk profile and key areas of risk in particular.
3. To recommend the Board and adaptation of risk assessment and rating procedures.
4. To articulate the Company's policy for the oversight and management of business risk.
5. To examine and determine the sufficiency of the company's internal process for reporting on and managing key risk areas.
6. To assess and recommend the Board acceptable levels of risk.
7. To develop and implement a risk management framework and internal control system.

Corporate Governance Report (Contd.)

8. To review the nature and level of insurance coverage.
9. To have the special investigation into areas of corporate risk and breakdowns in internal control.
10. To review management's response to the company's auditor's recommendations those are adopted.
11. To report the trends in the company's risk profile reports on specific risks and the status of the risk management process.

(c) Meetings and attendance

The Committee was set up in the last quarter of the financial year. Thus, no meeting was held during 2018-19.

The Audit Committee and Board shall also periodically oversee and review the Risk Management Policy and compliance thereto.

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
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.
2017-2018	H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015	20/09/2018	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
2015-2016	30/09/2016	NIL	NA
2016-2017	28/09/2017	NIL	NA
2017-2018	20/09/2018	3	<ul style="list-style-type: none"> • Re-appointment of Mr. Ashok C. Gandhi (DIN – 00022507), as an Independent Director for a second term of consecutive five (5) years effective from 1st April, 2019 up to 31st March, 2024 • To Re-appointment of Mr. Sanjay S. Majmudar (DIN – 00091305), as an Independent Director for a second term of consecutive five (5) years effective from 1st April, 2019 up to 31st March, 2024. • To approve the payment of Remuneration by way of commission to Non-Executive Directors pursuant to provisions of Section 197 of the Companies Act, 2013

(c) Postal Ballot Resolutions

The Company did not pass any special resolution through Postal Ballot during the last year. However, the Company has passed following Ordinary Resolutions during the year:

1. On 11th July, 2018, the Company has passed 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.
2. On 6th February, 2019, the Company has passed Ordinary Resolutions through Postal Ballot to approve related party transactions with Azafran Innovacion Limited and Dishman Biotech Limited.

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

No Special resolution is proposed to be conducted through postal ballot.

Corporate Governance Report (Contd.)

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

BSE Limited 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 stakeholders, including individual employees and their representative bodies and directors to report concerns about illegal or unethical practices, 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.

During the year, the Board of Directors had adopted the updated Whistleblower policy in line with amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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Corporate Governance Report (Contd.)

(h) 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.

(i) MDA

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

(j) CEO/CFO Certificate

The Global Managing Director and Global Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2019 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 Global Managing Director and Global Chief Financial Officer 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 Managing Director and Chief Financial Officer also gives quarterly Certification on financial results while placing the financial results before the Board.

(k) 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.

(l) 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.

(m) 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.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

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.

Further, SEBI vide its Notification No. SEBI/LAD- NRO/GN/2018/59 dated 31 December 2018 has amended the SEBI (Prohibition of Insider Trading) (Amendment) (Regulations) 2018 which became applicable from 1 April 2019. In Compliance with the aforesaid notification of SEBI, the Company has revised Code of Conduct of Insider Trading Regulations, the Company adopted the Code of Conduct to regulate, monitor and report trading by Designated Person(s) in order to protect the Investor's Interest.

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

(n) 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.

(o) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

(p) Confirmation and Certification

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. Ashok P. Pathak & Co., Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

Corporate Governance Report (Contd.)

(q) Payment to Statutory Auditors

During 2018-19, total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the Joint Statutory Auditors i.e. M/s. Haribhakti & Co. LLP and M/s. V. D. Shukla & Co., and all the entities in the network firm/network entity of which Joint Statutory Auditors is a part are as under:

- M/s. Haribhakti & Co. – ₹ 41.50 lacs
- M/s. V. D. Shukla & Co. ₹ 56.00 lacs includes tax advisory, certification and other services permissible under Section 144 of the Companies Act, 2013

(r) 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. 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.

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.

(b) 12th Annual General Meeting

Date & Time	Venue
24 th day of September, 2019 at 11.00 a.m.	H.T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

(c) Financial Year

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

Financial Results ended	Timeline
30 th June, 2019	- 45 days from end of Quarter 30 th June, 2019
30 th September, 2019	- 45 days from end of Quarter 30 th September, 2019
31 st December, 2019	- 45 days from end of Quarter 31 st December, 2019
Audited Results for the year ended on 31 st March, 2020	- 60 days from end of Financial Year (i.e. on or before 30 th May, 2020)

(d) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will be closed from **Saturday, 14th day of September, 2019 to Tuesday, 24th day of September, 2019 (both days inclusive)** for the purpose of declaration of dividend.

(e) Dividend Payment Date

On and after **September 27, 2019**, but within the statutory time of 30 days from the date of declaration by shareholders

(f) Listing on Stock Exchanges

A. Equity Shares

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

Name of Stock Exchanges	Address
BSE Ltd.	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

- Annual listing fees for the FY 2019-2020, as applicable, have been paid before due date to the concerned Stock Exchanges.
- The Company has also paid Annual custodial fees for the year 2019-2020 as applicable, to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- As on 31st March, 2019, there were 56,194 shareholders of the Company.

Corporate Governance Report (Contd.)

B. Debt Security

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

(g) Stock Code of Equity Shares of the Company

BSE 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

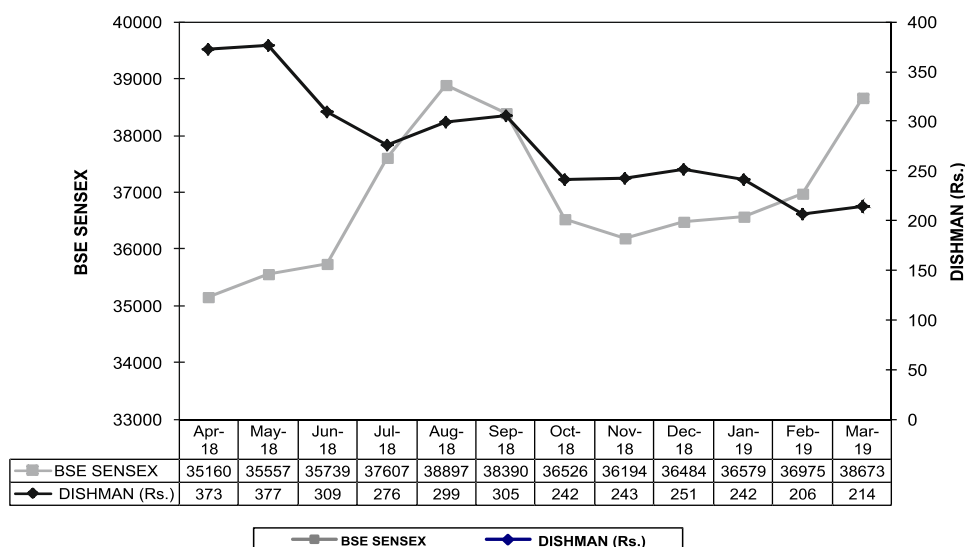
(h) Market Price Data

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.

Month Volume	(Price in ₹ Per share)						
	NSE			BSE			Total (NSE & BSE)
	High	Low	Volume	High	Low	Volume	
Apr-18	373.95	311	6,48,637	372.75	311.75	4,82,537	11,31,174
May-18	375.85	306.95	8,53,205	376.7	307.5	3,61,573	12,14,778
Jun-18	309.7	261.05	3,43,806	309.45	261.3	5,35,525	8,79,331
Jul-18	276.2	249.7	8,62,895	276.45	250.15	5,10,481	13,73,376
Aug-18	298.1	250.2	10,73,882	299.1	250.75	5,71,516	16,45,398
Sep-18	305.7	248.55	5,18,396	305.35	246.35	87,270	6,05,666
Oct-18	240.85	213.9	3,59,803	241.95	214.1	40,965	4,00,768
Nov-18	242.25	226.05	3,68,951	242.9	226	61,973	4,30,924
Dec-18	251.35	226.35	4,42,781	251.1	226.9	36,745	4,79,526
Jan-19	241.4	204.55	3,60,113	241.9	205.6	52,564	4,12,677
Feb-19	205.9	182.25	2,01,832	206.35	182.5	26,817	2,28,649
Mar-19	213.7	188.7	4,13,583	214.2	189.3	59,996	4,73,579

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

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



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Corporate Governance Report (Contd.)

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.

Company does not have any exposure to commodity and any exposure hedge through commodity during the financial year 2018-19.

(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, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. During the last quarter of FY 2018-19, on request of all RTAs to consider increasing the timelines for processing of DRNs due to unprecedented surge in volumes in receipt of emails, letters, documents, phone calls and personal visits of shareholders due to SEBI circular dated 8th June, 2018 mandated transfer of securities in dematerialized form only after 31st March, 2019, hence, SEBI vide its letter reference no. MRD/DOP2/DSA2/OW/2019/2498/1 dated 24-01-2019 has granted relaxation to RTAs in timelines for processing of DRNs/DRFs from 15 days to 30 days till 30th June, 2019. 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

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Corporate Governance Report (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS **[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI** **(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,
The Members of
Dishman Carbogen Amcis Limited

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

Dishman Carbogen Amcis Ltd (CIN- L74900GJ2007PLC051338) is having its registered office at Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad GJ 380009 (hereinafter referred to as 'the Company'). The equity shares of the Company are listed on BSE Limited (Script Code 540701) and National Stock Exchange of India Limited (Symbol : DCAL Series : EQ).

1. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the company, produced before us by the Company for the purpose of issuing this Certificate in accordance with sub-regulation(3) of Regulation 34 read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from 01/04/2019.

2. As on 31st March, 2019 the Board of Directors of the Company comprised of :

Sr. No.	Name of Director	DIN	DIN Status	Date of Appointment
1.	Janmejy Rajnikant Vyas	00004730	Approved	17/07/2007
2.	Deohooti Janmejy Vyas	00004876	Approved	17/03/2017
3.	Ashok Chandrakant Gandhi	00022507	Approved	17/03/2017
4.	Rajendra Shantilal Shah	00061922	Approved	17/03/2017
5.	Sanjay Shaileshbhai Majmudar	00091305	Approved	17/07/2007
6.	Arpit Janmejy Vyas	01540057	Approved	17/03/2017
7.	Subir Kumar Das	02237356	Approved	17/03/2017
8.	Mark Christopher Griffiths	06981744	Approved	17/03/2017
9.	Maitri Kirankumar Mehta*	07549243	Approved	01/04/2019

*Appointed in Board Meeting dtd.30.03.2019 as Additional Independent Director w.e.f. 01.04.2019.

3. In our opinion and to the best of our information and according to the verifications (including DIN based search on MCA Portal www.mca.gov.in) and examinations of the disclosures / registers under Section 184, 189, 170, 164, 149 of the Companies Act, 2013 ('the Act'), and information and explanations furnished to us by the company and its officers, we hereby certify as under :

- None of the above named directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs – MCA or any such statutory authority for the Financial Year ending 31st March, 2019.

4. Ensuring the eligibility of the appointment / continuity of every director on the Board is the responsibility of the management of the company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad
Date : 15/05/2019

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

CS Ashok P. Pathak*
Proprietor
ACS No.: 9939
C P No.: 2662

* 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

* Insolvency Professional (IP) registered with Insolvency and Bankruptcy Board of India (IBBI) (IP Registration No. IBBI/IPA-002/IP-N00329/2017- 18/10934)

Corporate Governance Report (Contd.)

CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of SEBI (LODR) Regulations, 2015]

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

We have examined the compliance of condition of corporate governance by Dishman Carbogen Amcis Ltd. for the year ended 31st March, 2019 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of condition of corporate governance is the responsibility of the management of the company. Our examination has been 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 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, we certify that Company has complied with the conditions of corporate governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the 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.

Place : Ahmedabad
Date : 15th May, 2019

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

CS Ashok P. Pathak*
Proprietor
COP No.2662

* 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

* Insolvency Professional (IP) registered with Insolvency and Bankruptcy Board of India (IBBI) (IP Registration No. IBBI/IPA-002/IP-N00329/2017- 18/10934)

Independent Auditors' Report (Contd.)

	<ul style="list-style-type: none"> Evaluated the appropriateness of the disclosure in the financial statements and assessed the completeness and mathematical accuracy.
<p>Impairment assessment of carrying value of investments in subsidiaries (Refer Note 4(a) to the standalone financial statements)</p> <p>The Company has investments of ₹ 2,739.56 Crores in equity shares of its wholly owned subsidiaries.</p> <p>The Management has assessed the impairment of its investment in its subsidiaries by reviewing the business forecasts of subsidiaries, using discounted cash flow valuation model (the "Model") and concluded that no provision for impairment is required to be made in respect of these investments as they are considered good.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows in the Model prepared by the Management to support the carrying value of above investments and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</p>	<p>Our audit procedures on impairment assessment of investments in subsidiaries include the following :</p> <ul style="list-style-type: none"> Obtained understanding and evaluated the design and implementation of the processes and internal controls relating to impairment of investments in subsidiaries; Tested the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiaries; Performed the following substantive procedures: <ol style="list-style-type: none"> Assessed reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year; Tested the mathematical accuracy of the underlying Model, reviewing reasonableness of the assumptions/ information considered in the Model by examining source data and supporting documentation and checking the impairment assessment prepared by the management. Compared the business forecasts with the latest Board's approved budgets; Considered the work of external independent valuation expert engaged by the Company; Assessed the independent valuation expert's methods, competency and objectivity; Obtained understanding of the operating parameters used in the Model and assessing consistency of our understanding of parameters with those considered in the model; Performed sensitivity tests on the Model by analysing the impact of using alternate assumptions for discount rates, terminal growth rates, etc. within a reasonable and foreseeable range.
<p>Evaluation of uncertain tax positions (Refer Note 2.17 and Note 29 to the standalone financial statements)</p> <p>The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. Hence, this has been considered as a key audit matter.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> Obtained understanding of key uncertain tax positions; Read and analysed select key correspondences, external legal opinions / consultations by the management for key uncertain tax positions; Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and Assessed the management's estimate of the possible outcome of the disputed cases.
<p>Accounting and valuation of Hedging Instrument (Refer Note 25(D) to the standalone financial statements)</p> <p>The Company uses derivative financial instrument contracts to manage its exposure in foreign currency risk and interest rate risk. These contracts gave rise to derivative financial assets of ₹ 43.98 Crores and Cash Flow Hedge Reserve of ₹ 8.73 Crores as at March 31, 2019.</p> <p>These contracts are recorded at fair value and cash flow hedge accounting is applied, such that gains and losses arising from fair value changes are deferred in equity and recognised in the standalone statement of profit and loss when hedges mature. The large number of contracts necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date.</p> <p>The valuation of hedging instruments and consideration of hedge effectiveness has been identified as a key audit matter as it involves a significant degree of both complexity and management judgement and are subject to an inherent risk of error.</p>	<p>Our audit procedures on accounting and valuation of hedging instrument are summarised below:</p> <ul style="list-style-type: none"> Obtained understanding and evaluated the design and implementation of the processes and internal controls relating to accounting and valuation of hedge instruments; Tested the Company's key internal financial controls over derivative financial instruments and hedge accounting; Verified, on a sample basis, hedge documentation and contracts; Re-performed, on a sample basis, the year-end valuations of derivative financial instruments and calculations of hedge effectiveness; and Obtained confirmation of year-end derivative financial instruments from counterparties, on a sample basis.

Independent Auditors' Report (Contd.)

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, except for the effects of the matters described in the Emphasis of Matter section of our report, 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;
 - e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act;
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - h. 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 & 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 15, 2019

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 15, 2019

Independent Auditors' Report (Contd.)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Dishman Carbogen Amcis Limited [DCAL] (After merger of erstwhile Dishman Pharmaceuticals and Chemicals Limited into DCAL)** ("the Company") on the standalone Ind AS financial statements for the year ended March 31, 2019]

- (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 and 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, 2019 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 ₹ 100.03 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, 2019 is ₹ 58.56 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 sections 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) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service 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, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

Independent Auditors' Report (Contd.)

(b) According to the information and explanation given to us, there are no disputed dues of value added tax, goods and service tax and customs duty as at March 31, 2019. The particulars of dues outstanding with respect to income tax, sales tax, service tax and excise duty which have not been deposited on account of disputes, 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
		0.98	2006-07 2008-09 2009-10 2013-14	Central Excise and Service Tax Appellate Tribunal
		2.53	2006-07 2009-10	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	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 271(1) (C)	3.04	FY 2005-06	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	14.28	FY 2006-07	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 271(1) (C)	4.73	FY 2006-07	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	8.41	FY 2007-08	High Court of Gujarat
Income Tax Act, 1961	Demand U/S - 143(3).r.w.s.144	0.24	FY 2008-09	High Court of Gujarat
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)
Income Tax Act, 1961	Demand U/S - 143(3) r.w.s 144C	0.005	FY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand U/S - 143(3) r.w.s. 144C	20.71	FY 2014-15	Commissioner of Income Tax (Appeals)

Out of above, amount paid under protest by the Company for income tax is ₹ 55.76 Crores.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions. The Company has not borrowed any money from government or by issue of debentures.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, clause 3(ix) of the Order is not applicable to the Company.

Independent Auditors' Report (Contd.)

- (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 fraud by the Company or any fraud 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, managerial remuneration has been paid / provided 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, clause 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, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (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, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Hemant J. Bhatt
Partner
Membership No. 036834
Place : Ahmedabad
Date : May 15, 2019

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 15, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 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, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Dishman Carbogen Amcis Limited** ("the Company") as of March 31, 2019 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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

Independent Auditors' Report (Contd.)

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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 15, 2019

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 15, 2019

Balance Sheet

as at 31st March, 2019

Particulars	Note No.	₹ in crores)	
		As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	763.43	812.04
(b) Capital work-in-progress	2	37.86	16.18
(c) Goodwill	3	950.93	1,039.38
(d) Other intangible assets	3	0.96	1.40
(e) Intangible assets under development		31.92	31.71
(f) Financial assets			
i. Investments	4(a)(i)	2,886.97	2,842.75
ii. Loans	4(c)	102.39	38.06
iii. Others	4(e)	1.39	3.42
(g) Current tax assets (Net)	7	93.69	91.00
(h) Other non-current assets	5	210.29	177.76
Total non-current assets		5,079.83	5,053.71
Current assets			
(a) Inventories	6	222.61	169.09
(b) Financial assets			
i. Investments	4(a)(ii)	19.72	94.35
ii. Trade receivables	4(b)	130.15	140.02
iii. Cash and cash equivalents	4(d)(i)	28.00	17.75
iv. Bank balances other than (iii) above	4(d)(ii)	19.35	3.54
v. Loans	4(c)	33.83	14.69
vi. Others	4(e)	90.59	65.34
(c) Other current assets	8	192.03	248.66
Total current assets		736.28	753.44
Total assets		5,816.11	5,807.15
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	32.28	32.28
(b) Other equity	10	4,860.09	4,759.30
		4,892.37	4,791.58
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
i. Borrowings	11(a)	202.73	279.38
(b) Provisions	12	8.03	9.27
(c) Deferred tax liabilities (Net)	13	132.61	122.28
(d) Other non-current liabilities	14	54.44	83.77
Total non-current liabilities		397.81	494.70
Current liabilities			
(a) Financial liabilities			
i. Borrowings	11(b)	283.88	256.97
ii. Trade payables	11(c)		
a. Total Outstanding dues of Micro Enterprises and Small Enterprises		6.34	2.88
b. Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		87.34	85.27
iii. Other financial liabilities	11(d)	110.34	117.85
(b) Other current liabilities	15	33.81	56.06
(c) Provisions	12	4.22	1.84
Total current liabilities		525.93	520.87
Total liabilities		923.74	1,015.57
Total equity and liabilities		5,816.11	5,807.15
Significant accounting policies	1		
The accompanying notes form an integral part of these Financial Statements.			

As per our attached 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 : 15th May, 2019

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Statement of Profit and Loss

for the year ended 31st March, 2019

Particulars	Note No.	(₹ in crores)	
		For the year ended 31 March, 2019	For the year ended 31 March, 2018
Revenue			
(a) Revenue from operations	16	549.47	474.46
(b) Other income	17	71.68	65.66
Total income		621.15	540.12
Expenses			
(a) Cost of materials consumed	18(a)	197.38	161.84
(b) Purchases of stock-in-trade		-	11.21
(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(b)	(34.80)	(17.74)
(d) Employee benefit expense	19	80.27	61.67
(e) Finance costs	20	47.43	35.34
(f) Depreciation and amortisation expense	21	136.31	134.45
(g) Other expenses	22	112.82	91.18
Total expenses		539.42	477.95
Profit before exceptional items and tax		81.73	62.17
Exceptional items		-	-
Profit before tax		81.73	62.17
Tax expense	23		
(a) Current tax		17.01	7.52
(b) Deferred tax		8.71	17.58
Profit after tax		56.01	37.07
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		0.52	0.25
(b) Income Tax effect		(0.18)	(0.09)
(c) Equity Instruments designated through other comprehensive income		4.09	5.83
(d) Income Tax effect		(1.43)	(2.04)
(B) Items that will be reclassified to profit or loss-			
(a) (i) foreign exchange fluctuation in respect of cash flow hedge		41.78	(33.05)
Other Comprehensive Income for the year, net of tax		44.78	(29.09)
Total Comprehensive Income for the year		100.79	7.98
Earnings per equity share of face value of ₹ 2/- each:			
(a) Basic earnings per share (in ₹)	33	3.47	2.30
(b) Diluted earnings per share (in ₹)	33	3.47	2.30
Significant accounting policies	1		

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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

For and on behalf of the Board of Directors

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Proprietor
Membership No. 036416

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Place : Ahmedabad
Date : 15th May, 2019

Cash Flow Statement

for the year ended 31st March, 2019

Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before income tax	81.73	62.17
Adjustments for		
Depreciation and amortisation expense	136.31	134.45
Gain on Sale of Investments	(0.17)	(1.95)
Gain on disposal of property, plant and equipment	(0.07)	0.08
Unrealised Foreign Exchange Loss	0.13	3.05
Interest Income	(18.51)	(9.76)
Dividend Income	(42.89)	(47.75)
Interest Expenses	47.43	35.34
Provision for doubtful debts and advances	0.03	(7.34)
	204.00	168.30
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/Decrease in trade receivables	10.28	(63.81)
(Increase)/Decrease in loans and advances	42.61	(53.76)
(Increase) in inventories	(53.53)	(17.28)
Increase in payables and provisions	(63.93)	12.19
Cash generated from operations	139.43	45.65
Income taxes paid	(19.69)	(25.59)
Net cash inflow from operating activities	119.74	20.06
Cash flows from investing activities		
Purchase of property, plant and equipment	(51.20)	(75.20)
Proceeds from sale of property, plant and equipment	9.78	0.28
Investments in mutual funds (net)	34.68	(148.39)
Loans and Advances Given to related parties(Net)	(89.10)	(8.22)
Balance Held as Margin Money	(13.78)	5.12
Dividends received	47.16	42.04
Interest received	38.26	9.76
Net cash outflow from investing activities	(24.17)	(174.61)
Cash flows from financing activities		
Proceeds from borrowings	18.14	208.34
Repayment of borrowings	(82.25)	(32.36)
Proceeds / (Repayment) from short term borrowings (net)	26.88	0.65
Interest paid	(48.09)	(34.18)
Net cash inflow (outflow) from financing activities	(85.32)	142.45

Cash Flow Statement (Contd.)

for the year ended 31st March, 2019

Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Net increase (decrease) in cash and cash equivalents	10.24	(12.10)
Cash and cash equivalents at the beginning of the financial year	17.75	29.86
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at end of the year	28.00	17.75
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	27.82	17.58
- in EEFC account	0.06	0.00
Cash on hand	0.12	0.17
Balances per statement of cash flows	28.00	17.75

Note:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The 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 effective from April 1, 2017 and the required disclosure is made below:

	As at 31 March 2018	Cash Flows		Non-cash changes		As at 31 March 2019
		Proceeds	Repayments	Fair value changes	Current / Non-current Classification	
Long-Term Borrowings (Current and Non Current)	364.60	18.14	82.25	-	-	300.49
Short-Term Borrowings	256.97	26.88		-	-	283.85

Significant accounting policies

1

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Hemant J. Bhatt
Partner
Membership No. 036834

Vimal D. Shukla
Proprietor
Membership No. 036416

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Place : Ahmedabad
Date : 15th May, 2019

Statement of changes in equity

for the year ended 31st March, 2019

A. Equity share capital

(₹ in crores)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	16,13,94,272	32.28	-	-
Add: Issued during the year	-	-	16,13,94,272	32.28
Balance at the end of the reporting year	16,13,94,272	32.28	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, 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	(2.52)	17.15	(33.05)	4,759.30
Profit for the year	-	-	56.01	-	-	56.01
Other Comprehensive Income for the year	-	-	0.34	2.66	41.78	44.78
Total Comprehensive Income for the year	-	-	56.35	2.66	41.78	100.79
Balance as on 31st March, 2019	-	4,777.72	53.83	19.81	8.73	4,860.09

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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 : 15th May, 2019

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Dehooti J. Vyas
Whole Time Director
DIN: 00004876

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Notes (Contd.)

forming part of the financial statements

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.

2.6 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 statement of profit and loss as incurred.

Amortisation

Amortisation is recognised in statement of profit and 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.

2.7 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.

Notes (Contd.)

forming part of the financial statements

2.8 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.

2.9 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.

2.10 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).

2.11 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 control of the goods have been transferred to the buyer, 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 performance obligation in the case of sale of goods is satisfied at a point in time i.e. when the material shift to the customer or on delivery to the customer as may be specified in the contract.

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).

Notes (Contd.)

forming part of the financial statements

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.

2.12 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 statement of profit and 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.

2.13 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

Notes (Contd.)

forming part of the financial statements

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

2.14 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 statement of profit and 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 statement of profit and 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.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

(i) Classification, recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain and loss on derecognition of the financial instrument measured at amortised cost recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement. Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method. On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which arise.	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Change in fair value of such instrument are recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments are however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement.

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All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Impairment:

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

(iii) Derecognition of financial assets:

A financial asset is derecognised only when

- (a) the company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(iv) Foreign exchange gain or losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss except for those which are designated 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.

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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 statement of profit and 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.

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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.

2.16 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

2.17 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.

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2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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 least 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.

2.23 Ind AS Standard not yet Effective:

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116 - Leases:

Ind AS 116 supersedes Ind AS 17 - Leases. The new standard introduces single lease accounting model for the lessees under which all major leases are recognised on Balance sheet, removing the lease classification test. The lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right

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to use the underlying asset during the lease term (i.e. the right of use asset) at the commencement date of lease. Lessees will be required to separately recognize interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17 except for additional guidance and new disclosure requirements.

The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116. The Company is evaluating the impact of Ind AS 116 on its financial statements and plans to adopt on effective date using the practical expedients.

b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12 - Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatment under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1 April, 6 4 5 A 2

The Company is evaluating the impact of this amendment on its financial statements.

c) Amendment to Ind AS 12. Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company is evaluating the impact of this amendment on its financial statements.

2.24 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.

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- 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.

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(₹ in crores)

Note 2: Property, plant and equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office equipment & Computer & Printers	Electrical Installations	Laboratory Equipments	Total	Capital work-in-progress
Year ended 31 March, 2018											
Gross carrying amount											
Opening gross carrying amount	137.23	132.61	96.05	441.81	5.83	13.09	3.93	51.68	22.18	904.40	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	444.77	9.62	14.25	13.29	54.71	22.83	963.41	16.18
Accumulated depreciation											
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	-	5.32	12.95	101.52	3.44	5.09	1.42	15.27	6.36	151.38	-
Net carrying amount	137.23	143.61	104.83	343.24	6.18	9.16	11.87	39.44	16.47	812.04	16.18
Year ended 31 March 2019											
Gross carrying amount											
Opening gross carrying amount	137.23	148.93	117.79	444.77	9.62	14.25	13.29	54.71	22.83	963.41	16.18
Additions during the year	-	0.39	6.87	4.86	0.59	0.69	5.34	0.87	0.51	20.12	28.08
Disposals	-	-	(1.09)	(24.30)	(0.07)	(0.72)	(0.04)	(0.12)	-	(26.34)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(6.40)
Closing gross carrying amount	137.23	149.33	123.57	425.33	10.14	14.22	18.59	55.46	23.33	957.19	37.86
Accumulated depreciation and impairment											
Opening accumulated depreciation	-	5.32	12.95	101.52	3.44	5.09	1.42	15.27	6.36	151.38	-
Depreciation charge during the year	-	2.08	4.30	29.86	0.74	1.82	1.92	4.97	1.71	47.41	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(0.10)	(4.29)	(0.04)	(0.53)	(0.03)	(0.03)	-	(5.02)	-
Closing accumulated depreciation and impairment	-	7.40	17.15	127.10	4.14	6.39	3.31	20.21	8.07	193.77	-
Net carrying amount	137.23	141.93	106.42	298.22	6.01	7.83	15.27	35.26	15.26	763.43	37.86

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.
- (iii) Amount of interest capitalised during the year ₹ 1.52 crores.

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Note 3: Intangible assets

(₹ in crores)

Particulars	Computer software	Copyrights, patents & other Intellectual property rights, services and operating rights	Total	Goodwill
Year ended 31 March, 2018				
Gross carrying amount				
Opening gross carrying amount	1.71	0.78	2.49	1,326.86
Additions during the year	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	0.53	88.46
Closing accumulated amortisation	0.95	0.54	1.49	287.48
Closing net carrying amount	1.17	0.24	1.41	1,039.38
Year ended 31 March 2019				
Gross carrying amount				
Opening gross carrying amount	2.12	0.78	2.90	1,326.86
Additions during the year	0.00	-	0.00	-
Disposal	-	-	-	-
Closing gross carrying amount	2.12	0.78	2.90	1,326.86
Accumulated amortisation and impairment				
Opening accumulated amortisation	0.95	0.54	1.49	287.48
Amortisation charge for the year	0.38	0.07	0.45	88.45
Impairment charge	-	-	-	-
Closing accumulated amortisation and impairment	1.33	0.61	1.94	375.93
Closing net carrying amount	0.79	0.17	0.96	950.93

Goodwill

The goodwill at each CGU level (acquisition on account of merger of erstwhile DPCL) is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using the net present value of the projected post-tax cashflows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Key assumptions used in the value in use calculations

The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminal growth rate thereafter of 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable.

Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 10.9% for the year ended March 31, 2019.

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 2019.

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Note 4: Financial assets

4 (a) (i) Non-current investments

Particulars	% of holding	₹ in crores	
		As at 31 March 2019	As at 31 March 2018
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, 2019 : 2,100 (March 31, 2018: 2,100) equity shares of Face value of ₹ 10/- each fully paid up)		0.02	0.02
(ii) Other investment which are carried at Fair value through statement of profit and loss			
(a) HDFC Housing Opportunities Fund (March 31, 2019 : 50,00,000 (March 31, 2018: 50,00,000) units of Face value of ₹ 10/- each)		4.77	4.79
(b) HDFC Perpetual Bond (March 31, 2019 : 250 (March 31, 2018 : 250) bonds of Face value of ₹ 10,00,000/- each)		29.62	26.98
(c) ZEE Entertainment Enterprise Ltd - Preference shares (March 31, 2019 : 4,00,00,000 (March 31, 2018: 4,00,00,000) preference shares of ₹ 6/- each out of which ₹ 4/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)		14.69	24.22
(d) IRB INVIT FUND (March 31, 2019 : 5,80,000 (March 31, 2018 : Nil) bonds of Face value of ₹ 100/- each)		3.87	-
(e) State Bank of India Perpetual Bond (March 31, 2019 : 50 (March 31, 2018 : Nil) bonds of Face value of ₹ 10,00,000/- each)		4.89	-
(f) Bank of Baroda Perpetual Bond (March 31, 2019 : 100 (March 31, 2018 : Nil) bonds of Face value of ₹ 10,00,000/- each)		9.62	-
(g) J M Financials Credit Solutions Ltd. (March 31, 2019 : 2,50,000 (March 31, 2018 : Nil) NCDs of Face value of ₹ 1,000/- each)		25.38	-
(h) ICICI Bank Ltd. (March 31, 2019 : 50 (March 31, 2018 : Nil) bonds of Face value of ₹ 10,00,000/- each)		5.03	-
B) Unquoted			
(i) Investment in wholly owned subsidiaries carried at cost			
(a) Dishman Europe Ltd. (March 31, 2019 : 1,59,000 (March 31, 2018: 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, 2019 : 1,00,000 (March 31, 2018: 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, 2019 : 3,00,000 (March 31, 2018: 3,00,000) equity shares of Face value of USD 1/- each fully paid up)	100	16.00	16.00

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Particulars	% of holding	₹ in crores	
		As at 31 March 2019	As at 31 March 2018
(e) Dishman Switzerland Ltd. *** (March 31, 2019: Nil (March 31, 2018: 10,30,000) equity shares of Face value of CHF 1/- each fully paid up)	-	-	3.57
(f) CARBOGEN AMCIS Holding AG (formerly known as Dishman Pharma Solutions AG)* (March 31, 2019: 2,80,00,000 (March 31, 2018: 2,80,00,000) equity shares of Face value of CHF 1/- each fully paid up)	76.92	2,155.00	2,155.00
(g) Dishman Carbogen Amcis (Singapore) Pte Ltd.* (March 31, 2019: 3,90,77,125 (March 31, 2018: 3,88,37,125) equity shares of Face value of SGD 1/- each fully paid up)	31.04	188.91	187.12
(h) Dishman Middle East FZE (March 31, 2019: 6 (March 31, 2018: 6) equity shares of Face value of AED 1,50,000/- each fully paid up)	100	2.00	2.00
(i) Dishman Carbogen Amcis (Japan) Ltd. (formerly known as Dishman Japan Ltd.)** (March 31, 2019: 3,000 (March 31, 2018: 2,992) equity shares of Face value of JPY 50,000/- each fully paid up)	49	6.27	6.25
(ii) Investment in other entities which are carried at Fair value through Other Comprehensive Income			
(a) CAD Middle East Pharmaceuticals Ind LLC (March 31, 2019: 21,900 (March 31, 2018: 21,900) equity shares of Face value of SAR 1,000/- each fully paid up)	10.95	49.50	45.41
(b) Nami Trading Co-FZE LLC (March 31, 2019: 15 (March 31, 2018: 15) equity shares of Face value of AED 1,000/- each fully paid up)	-	0.02	0.02
(c) Stuti(Ambawadi) Owners' Association (March 31, 2019: 30 (March 31, 2018: 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, 2019: 50 (March 31, 2018: 50) equity shares of Face value of ₹ 50/- each fully paid up)	-	0.00	0.00
Total (equity instruments)		2,886.97	2,842.75
Total non-current investments		2,886.97	2,842.75
Aggregate amount of quoted investments and market value thereof		97.88	56.00
Aggregate amount of unquoted investments- book value/ market value		2,789.08	2,786.75
Aggregate amount of impairment in the value of investments		-	-

* During the year, Dishman Europe Ltd. ("DEL"), the wholly owned subsidiary of the Company has transferred its 100% stake in CARBOGEN AMCIS BV ("CABV") to Dishman Carbogen Amcis (Singapore) Pte. Ltd. ("DCASPL"), the subsidiary of the Company, by way of share swap arrangement for a consideration of EURO 82 million. Further, the DCASPL has transferred its stake in CABV to the Company's subsidiary namely CARBOGEN AMCIS Holding AG., Switzerland ("CAHAG"), by way of share swap. After, this restructuring the Company's direct stake in CAHAG has been reduced to 76.92% and remaining 23.08% has been held by DCASPL, a subsidiary of the Company. Subsequently, the Company's direct stake in DCASPL has been reduced to 31.04% and remaining 68.96% is held by DEL, a wholly owned subsidiary of the Company.

* During the previous 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 direct stake in CAHAG has been reduced to 91.50% and remaining 8.50% has been held by DCASPL, a subsidiary of the Company.

** During the year, Dishman Carbogen Amcis (Japan) Ltd. has issued new shares to CAHAG. Therefore the Company's direct stake in Dishman Carbogen Amcis (Japan) Ltd. has been reduced to 49% and remaining 51% is held by CAHAG, a subsidiary of the Company.

*** Liquidated during the year.

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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 at Fair value through other comprehensive income because these equity shares represent investments that the company intends to hold for long term strategic purpose.

Particulars	₹ in crores	
	Fair value as at 31-03-2019	Fair value as at 31-03-2018
1. CAD Middle East Pharmaceuticals Ind LLC	49.50	45.41
2. Nami Trading Co-FZE LLC	0.02	0.02
3. Bank of India	0.02	0.02

Investments: The investment 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 cash flows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Key assumptions used in the value in use calculations: The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminal growth rate thereafter of 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable. Discount rate reflects the current market assessment of the risks specific to a CGU.

The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 10.9% for the year ended March 31, 2019.

The Company 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 2019.

4(a) (ii) Current investments

Particulars	₹ in crores	
	As at 31 March 2019	As at 31 March 2018
A. Quoted		
(i) Other investment which are carried at Fair value through statement of profit and loss		
(a) SBI Arbitrage Opportunity Fund (March 31, 2019 : Nil (March 31, 2018: 75,66,152) units of NAV of ₹ 13.30/- each)	-	10.09
(b) ZEE Entertainment Enterprise Ltd - Preference Shares (March 31, 2019 : 4,00,00,000 (March 31, 2018: 4,00,00,000) preference shares of ₹ 6/- each out of which ₹ 4/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)	7.35	9.20
(c) Vedanta Ltd. - Preference Share (March 31, 2019 : Nil (March 31, 2018 : 2,50,00,000) preference shares of Face value of ₹ 10/- each fully paid up)	-	25.39
(d) J M Financial Asset Reconstruction Company Ltd. - Commercial papers (March 31, 2019 : Nil (March 31, 2018: 25,00,000) commercial papers of Face value of ₹ 100/- each)	-	23.46
(e) Baroda Dynamic Equity Fund (March 31, 2019 : 10,00,000 (March 31, 2018 : Nil) units of mutual fund of Face value of ₹ 10/- each)	1.06	-
(f) Baroda Banking And Financial Services Fund (March 31, 2019 : 2,25,729 (March 31, 2018 : Nil) units of mutual fund of Face value of ₹ 22.15/- each)	0.53	-
(g) Baroda Mid Cap Fund (March 31, 2019 : 5,18,662 (March 31, 2018 : Nil) units of mutual fund of Face value of ₹ 9.64/- each)	0.47	-

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B. Unquoted

(i) Other investment which are carried at amortised cost

(a) Home Credit India Finance Pvt. Ltd. - NCDs	10.32	-
(March 31, 2019 : 100 (March 31, 2018 : Nil) NCD of Face value of ₹ 10,00,000/- each)		

C. Others

Fixed Deposit with Dewan Housing Finance Ltd.	-	26.21
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Total current investments

19.72	94.35
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Aggregate amount of quoted investments and market value thereof	9.40	68.14
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Aggregate amount of unquoted investments	10.32	26.21
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4(b) Trade receivables

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivable considered good, Unsecured	138.76	148.14
Less: Allowances as per expected credit loss model	(8.60)	(8.12)
	130.15	140.02
Unsecured, considered doubtful	0.46	0.46
Less: Allowance for doubtful debts	(0.46)	(0.46)
Total receivables	130.15	140.02

1. Of the above, trade receivables from related parties are as below:

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables (Refer Note No. 31)	111.96	61.36
Less: Allowance for doubtful Debt	-	-
	111.96	61.36

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person
- Trade receivable due from private companies in which any director is a partner, director or a member is ₹ 20.10 crores (March 2018 : ₹ 2.58 crores)
- Trade receivable are non- interest bearing and are generally on credit terms in the range of 30 to 120 days.
- The company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 25.
- For receivables secured against borrowings see Note 11 (a)

4 (c) Loans receivables

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non- current	Current	Non- current
Loans Receivables considered good - Unsecured				
Loan to related parties (refer Note 31)	31.65	102.39	2.22	38.06
Loan to employees	0.02	-	0.42	-
Other Loans	2.16	-	12.06	-
Total loans	33.83	102.39	14.69	38.06

Note: Of the above, loan amounting to ₹ 38.06 Crores (P.Y. ₹ 38.06 Crores) is given to the Companies in which Company's Director is also a director and ₹ 95.98 crores (P.Y. ₹ 2.22 crores) is given to subsidiaries.

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Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
4 (d) (i) Cash and cash equivalents		
Balances with banks		
- in current accounts	27.82	17.58
- in EEFC accounts	0.06	0.00
Cash in hand	0.12	0.17
Total cash and cash equivalents	28.00	17.75

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
4 (d) (ii) Bank Balances Other than Cash and cash equivalents		
(a) Earmarked balances with banks for:		
(i) Unpaid Dividend	0.13	0.13
(ii) Balances held as margin money or security against borrowings, guarantees and other commitments	11.46	3.41
(b) In other deposit account	7.75	-
	19.35	3.54

Particulars	(₹ in crores)			
	As at 31 March 2019		As at 31 March 2018	
	Current	Non- current	Current	Non- current
4 (e) Other financial assets				
Unsecured, considered good unless otherwise stated				
(a) Fixed deposits having maturity of more than one year	-	0.21	-	2.25
(b) Insurance claims	18.82	-	-	-
(c) Interest / Dividend Receivable *	27.57	-	45.89	-
(d) Guarantee Commission Receivable (Refer Note 31)	-	-	13.53	-
(e) Security Deposits	0.21	1.17	0.21	1.18
(f) Receivable towards hedge instruments	43.98	-	-	-
(g) Others	-	-	5.71	-
Total other financial assets	90.59	1.39	65.34	3.42

(* Out of the ₹ 27.57 crores, interest receivable from related party ₹ 20.50 crores)

Notes (Contd.)

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Note 5: Other non-current assets		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Unsecured considered good, unless otherwise stated			
(a) Capital advances			
Considered Good	168.22	159.03	
Considered Doubtful	3.10	3.10	
	171.32	162.13	
Less: Provision for doubtful advances	3.10	3.10	
	168.22	159.03	
(b) Prepaid Expenses	1.11	0.90	
(c) Balances with government authorities	40.97	16.04	
(d) Other receivables	-	1.79	
Total other non-current assets	210.29	177.76	
Note 6: Inventories (At lower of cost and Net relisable value)		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
(a) Raw materials	69.55	50.97	
(b) Work-in-progress	104.43	93.52	
(c) Finished goods	43.66	19.77	
(d) Stores and spares	4.97	4.82	
Total inventories	222.61	169.09	
Note:			
1. For Inventories pledged as securities against borrowings, see Note 11 (a)			
Note 7: Current tax assets (Net)		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Advance Payment of Income tax (Net of Provision of ₹ 174.11 crores) (P.Y. ₹ 157.11 crores)	93.69	91.00	
Total Current tax assets (Net)	93.69	91.00	
Note 8: Other current assets		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Unsecured considered good, unless otherwise stated			
(a) Advances other than Capital advances			
(i) Prepaid Expenses	1.94	2.35	
(ii) Advances & recoverables			
Considered Good	158.64	225.16	
Considered Doubtful	0.15	0.15	
	158.79	225.31	
Less: Provision for other doubtful loans and advances	(0.15)	(0.15)	
	158.64	225.16	
(b) Balances with government authorities	31.45	21.15	
Total other current assets	192.03	248.66	

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Note 9: Equity share capital

Authorised equity share capital

Particulars	Number of shares	(₹ in crores)
As at 31st March, 2017	17,02,50,000	34.05
Addition during the year	-	-
As at 31st March 2018	17,02,50,000	34.05
Addition during the year	-	-
As at 31st March 2019	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 31st March, 2017	-	-	-
Issued during the year	16,13,94,272	2.00	32.28
As at 31st March, 2018	16,13,94,272	2.00	32.28
Issued during the year	-	-	-
As at 31st March, 2019	16,13,94,272	2.00	32.28

(ii) Shares of the company held by holding/ultimate holding company

Particulars	As at 31 March 2019	As at 31 March 2018
Bhadra Raj Holdings Pvt. Ltd.	-	9,90,91,898
Adimans Technologies LLP	9,90,91,898	-

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Bhadra Raj Holdings Pvt. Ltd.	-	-	9,90,91,898	61.40%
Adimans Technologies LLP	9,90,91,898	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) 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.
- (vi) The Board of Directors has recommended payment of dividend of ₹ 0.20/- per equity share of ₹ 2/- each of share capital of ₹ 32,27,88,544/- (@10%) for the Financial Year 2018-19, subject to approval of members in the ensuing Annual General Meeting.

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Note 10: Other Equity		(₹ in crores)	
Particulars		As at	As at
		31 March 2019	31 March 2018
(a)	Securities Premium Reserve	4,777.72	4,777.72
(b)	Surplus/(Deficit) in Statement of Profit and Loss	53.83	(2.52)
(c)	Other Comprehensive Income		
-	Equity instruments through OCI	19.81	17.15
-	Cash flow hedge reserves	8.73	(33.05)
	Total reserves and surplus	4,860.09	4,759.30

Movement in Reserves

(i) Retained earnings

		(₹ in crores)	
Particulars		As at	As at
		31 March 2019	31 March 2018
Surplus/(Deficit) in Statement of Profit and Loss			
	Opening Balance	(2.52)	(39.39)
	Add: Net profit for the year	56.01	37.07
	Add: Remeasurements of the defined benefit plans	0.34	(0.20)
	Closing balance	53.83	(2.52)

Retained earnings represents surplus/ accumulated earnings of the Corporation and are available for distribution to shareholders.

(ii) 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.

(iii) Cash flow hedge reserve

The Company has designated its hedging instruments as cash flow hedges and any gain / loss on cash flow hedge is maintained 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	As at
		31 March 2019	31 March 2018
Secured			
Term loans			
From banks			
	Rupee Currency Loan	(a) (i) 31.24	46.21
	Foreign currency loan	(a) (ii) 171.35	232.78
	Long-term maturities of Hire purchase obligations	(b) 0.14	0.38
	Total non-current borrowings	202.73	279.38

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Note:					
(a) (i) Term loans from Bank in Rupee currency			(₹ in crores)		
Name of the bank	Terms of repayment and security	As at	As at		
		31 March, 2019	31 March, 2018		
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.	0.00	1.10		
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 April 2018 ending on March 2022.	31.24	45.12		
Total Term loans from Bank in Rupee currency		31.24	46.21		
(a) (ii) Term loans from Bank in foreign currency			(₹ in crores)		
Name of the bank	Terms of repayment and security	As at	As at		
		31 March, 2019	31 March, 2018		
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.	22.63	38.45		
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 May, 2019 and ending February, 2024.	22.96	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.	6.28	44.44		
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.	119.49	137.95		
Total non-current borrowings		171.35	232.78		

* Creation of security is pending.

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(b) Long-term maturities of Hire purchase obligations		(₹ in crores)	
Name of the bank	Terms of repayment and security	As at 31 March, 2019	As at 31 March, 2018
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	-	0.05
Corporation Bank		0.14	0.33
Total of Long-term maturities of Hire purchase obligations		0.14	0.38

(c) Long Term Loan facility from banks carrying interest-rate ranging from LIBOR+1.75% to MCLR+2.70% 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 2019	As at 31 March 2018
Secured			
Loans repayable on demand			
From banks	(a)	230.54	240.91
Unsecured			
Loan from banks- Foreign Currency		53.34	16.06
Total Current borrowings		283.88	256.97

Note:

(a) Details of current borrowings		(₹ in crores)	
Name of the bank	Security	As at 31 March, 2019	As at 31 March, 2018
Corporation Bank	Hypothecation of Inventories, collateral security of book debts,	30.01	26.46
Bank of Baroda	first charge on the Company's fixed asset at Naroda DTA plant	54.06	70.23
State Bank of India	located at Plot No. 1216/12, 1216/20 to 23, Phase IV, and Plot	53.89	61.43
Doha Bank	No. 67, Phase I, GIDC Estate, Naroda , Ahmedabad unit and second	40.24	42.69
IDFC Bank *	pari pasu charge on fixed asset at Bavla Plant.	23.18	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.	29.15	15.10
Deutsche Bank	Unsecured	-	16.06
Abudhabi Commercial Bank Ltd	Unsecured	42.27	-
HDFC Bank Ltd.	Unsecured	11.06	-
Total Current borrowings		283.88	256.97

* 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 respective consents for release of this property and hence guarantee of the director.

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11 (c) Trade payables		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Current			
Trade payables (Refer note No. 32)	84.71	83.48	
Trade payables to related parties (Refer note No. 31)	8.97	4.67	
Total trade payables	93.68	88.15	

Note:

- All trade payables are current
- The Company's exposure to currency and liquidity risks related to trade payable is disclosed in Note 25.

11 (d) Other financial liabilities		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Current			
(a) Current maturities of long-term debt	97.75	85.22	
(b) Interest accrued but not due on borrowings	0.68	1.33	
(c) Unpaid dividends	0.13	0.13	
(d) Employee related provisions	8.36	7.23	
(e) Payable towards hedge instruments	-	21.75	
(f) Others	3.42	2.19	
Total other current financial liabilities	110.34	117.85	

Note 12: Provisions		(₹ in crores)				
Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- current	Total	Current	Non- current	Total
(a) Provision for compensated absences (Refer note No. 27)	3.11	0.71	3.82	0.53	2.54	3.07
(b) Provision for gratuity (net) (Refer note No. 27)	1.12	7.32	8.44	1.30	6.73	8.03
Total Provisions	4.23	8.03	12.26	1.84	9.27	11.10

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Note 13: Deferred tax liabilities

(a) Movements in deferred tax liabilities

(₹ in crores)

	Net balance as at April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2019		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Property, plant and equipment & Intangible assets & Goodwill	(300.42)	(8.35)	-	-	(308.77)	-	(308.77)
Investments	0.76	0.34	(1.43)	-	(0.33)	-	(0.33)
Trade receivables	0.16	0.00	-	-	0.16	0.16	-
Loans and advances	4.40	0.01	-	-	4.41	4.41	-
Provisions	3.43	0.61	(0.18)	-	3.86	3.86	-
Unabsorbed losses	147.37	(12.40)	-	-	134.97	134.97	-
DTA on MTM	(2.64)	(4.05)	-	-	(6.69)	-	(6.69)
Deferred tax on profit on sale of investment	(6.90)	-	-	-	(6.90)	-	(6.90)
Deferred tax assets (Liabilities)	(153.84)	(23.83)	(1.61)	-	(179.29)	143.40	(322.69)
Minimum Alternate Tax (MAT) credit entitlement	31.57	15.12	-	-	46.69	46.69	-
Net Deferred tax assets/(Liabilities)	(122.28)	(8.71)	(1.61)	-	(132.61)	190.08	(322.69)

(b) 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	-
DTA on MTM	-	(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/(Liabilities)	(95.69)	(17.56)	(2.13)	(6.90)	(122.28)	187.68	(309.96)

(c) The Company off sets 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 ₹ 386.25 crores as on 31 March 2019. Out of the tax losses of ₹ 386.25 crores, ₹ 386.11 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, 2019 amounts to ₹ 46.69 crores (March 31, 2018 : ₹ 31.57 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.

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Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax 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 2019	As at 31 March 2018	
Advances from customers - Related party (Refer note No. 31)	54.44	83.77	
Total other non-current liabilities	54.44	83.77	

Note 15: Other current liabilities		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
(a) Statutory tax payables	2.34	2.09	
(b) Advances from customers include amount received from related party of ₹ 29.81 crores (P.Y. ₹ 34.29 crores) (Refer Note No. 31)	31.47	51.90	
(c) Others	-	2.07	
Total other current liabilities	33.81	56.06	

Note 16 : Revenue from Operations		(₹ in crores)	
The entity derives the following types of revenue:			
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018	
(a) Sale of products (Refer Note (i))	435.90	378.02	
(b) Sale of services (Refer Note (ii))	74.16	63.87	
(c) Other operating revenue (Refer Note (iii))	39.41	32.57	
Total revenue from operations	549.47	474.46	

Note:

(i) Sale of products comprises :		
Sale of manufactured goods	435.90	366.34
Sale of traded goods	-	11.68
Total - Sale of products	435.90	378.02
(ii) Sale of services comprises :		
Export Services	74.16	63.87
Total - Sale of services	74.16	63.87
(iii) Other operating revenues comprise:		
Sale of scrap	0.29	0.01
Duty Drawback income	14.85	12.53
Forex Gain on forward contracts against sales	12.06	10.98
Sales of Raw Material	12.01	9.00
Others	0.19	0.05
Total - Other operating revenues	39.41	32.57

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Note 17: Other income	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Particulars		
(a) Interest income (Refer Note (i))	18.51	9.76
(b) Dividend income from Long term Investments	42.89	47.75
(c) Net gain on Long Term Investments	0.17	1.95
(d) Net gain on foreign currency transactions and translation	8.25	-
(e) Guarantee Commission Received	1.08	3.36
(f) Income from Travel Business	0.48	0.37
(g) Gain on fixed assets sold / scrapped / written off	0.07	-
(h) Other income	0.23	2.47
Total other income	71.68	65.66
Note (i) : Interest income comprises:		
Interest from deposits / investment :		
Banks	6.80	0.99
Others	-	2.17
Interest on loans and advances:		
Subsidiaries	7.27	5.24
Others	4.44	1.36
Total - Interest income	18.51	9.76
Note 18(a) : Cost of materials Consumed	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Raw materials at the beginning of the year	50.97	51.52
Add: Purchases	215.96	161.29
	266.93	212.81
Less: Raw material at the end of the year	(69.55)	(50.97)
Total cost of materials consumed	197.38	161.84
Note 18 (b): Changes in inventories of work-in-progress, stock-in-trade and finished goods	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Inventories at the beginning 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 end of the year		
Work-in progress	104.43	93.52
Finished goods	43.66	19.77
Total closing balance	148.09	113.29
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	34.80	17.74
Note 19: Employee benefit expense	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Salaries and wages	74.83	57.35
(b) Contributions to provident and other funds (Refer Note 27)	2.23	1.71
(c) Staff welfare expenses	3.21	2.61
Total employee benefit expense	80.27	61.67

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Note 20: Finance costs	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Particulars		
(a) Interest on debts and borrowings	37.15	23.22
(b) Other borrowing cost	2.48	2.50
(c) Forex loss considered as finance cost	7.80	9.61
Total Finance costs	47.43	35.34
Note 21: Depreciation and amortisation expense	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Depreciation of property, plant and equipment	47.41	45.45
(b) Amortisation of intangible assets and Goodwill	88.90	89.00
Total depreciation and amortisation expense	136.31	134.45
Note 22: Other expenses	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Consumption of stores and spare parts	1.09	0.35
Other manufacturing expenses	11.80	8.32
Power and fuel	30.81	28.17
Laboratory expenses	3.83	1.02
ETP expenses	5.80	3.18
Rent including lease rentals	3.25	1.82
Repairs and maintenance - Buildings	2.52	1.84
Repairs and maintenance - Machinery	11.33	6.83
Repairs and maintenance - Others	1.97	1.92
Insurance	2.84	3.15
Communication	0.62	0.47
Travelling and conveyance	7.03	4.77
Printing and stationery	0.93	0.57
Freight and forwarding	4.69	4.33
Sales commission	0.44	0.24
Business promotion	0.25	6.08
Donations and contributions	0.45	0.24
Legal and professional	14.44	10.24
Payments to auditors	0.98	0.63
Bad trade and other receivables, loans and advances written off	0.07	(0.07)
Membership & subscription	1.21	0.63
Office electricity	0.63	0.31
Recruitment expenses	0.28	0.14
Loss on fixed assets sold / scrapped / written off	-	0.08
Provision for doubtful trade and other receivables, loans and advances (net)	0.03	(7.34)
Net gain on foreign currency transactions and translation	-	10.20
Royalty expenses	2.06	-
Miscellaneous expenses	3.49	3.05
Total other expenses	112.82	91.18

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Note 22(a): Details of payments to auditors	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Payment to auditors (excluding Goods & Service Tax)		
As auditor:		
Audit fee	0.46	0.46
In other capacities		
Taxation matters	-	-
Certification fees	0.52	0.17
Re-imburement of expenses	-	-
Total payments to auditors	0.98	0.63
Note 22(b): Corporate social responsibility expenditure	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Amount required to be spent as per Section 135 of the Act	0.23	0.16
<i>Amount spent during the year on</i>		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	0.40	0.17
	0.40	0.17
Note: Related party transactions in relation to Corporate Social Responsibility : Nil		
Note 23: Income tax expense	(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	17.01	7.52
Short Provision of Tax	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	17.01	7.52
<i>Deferred tax</i>		
Increase in deferred tax liabilities	23.83	19.45
MAT Credit	(15.12)	(1.87)
Total deferred tax expense/(benefit)	8.71	17.58
Income tax expense	25.72	25.10
(b) Reconciliation of effective tax rate:	(₹ in crores)	
Particulars	2018-19	2017-18
Profit before income tax expense	81.73	62.17
Enacted income tax rate in India applicable to the Company 34.944% (PY 34.608%)	28.56	21.52
Tax effect of:		
Permanent allowance (net)	(2.47)	(1.87)
Others	(0.65)	(0.20)
Income tax on Other Comprehensive Income	(1.61)	-
Foreign tax credit	1.89	7.52
Reversal of foreign tax credit of previous year	-	(1.87)
Income tax expense	25.72	25.10
Weighted average tax rate for the year	31.46%	40.38%

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(c) Amounts recognised in Other Comprehensive Income (₹ in crores)						
Particulars	2018-19			2017-18		
	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	0.52	(0.18)	0.34	0.25	(0.09)	0.16
Equity instruments through Other Comprehensive income- net change in fair value	4.09	(1.43)	2.66	5.83	(2.04)	3.80
Items that will be reclassified to profit or loss						
Foreign exchange fluctuation in respect of cash flow hedge	41.78	-	41.78	(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.						

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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, 2019	Carrying value		Routed through Profit and Loss			Routed through OCI			Carried at amortised cost			Total Amount	Total Fair Value		
	Non Current	Current	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1			Level 2	Level 3
Financial Assets															
Investments															
- Equity instruments	2,793.88	2.05	6.82	-	-	6.82	0.02	-	49.52	49.54	-	-	2,739.56	2,795.93	2,795.93
- Debt instruments	93.09	17.67	100.44	-	-	100.44	-	-	-	-	-	-	10.32	110.76	110.76
Loans	102.39	33.83	136.21	-	-	-	-	-	-	-	-	-	136.21	136.21	136.21
Trade receivable	-	130.15	-	-	-	-	-	-	-	-	-	-	130.15	130.15	130.15
Cash and Cash equivalents	-	28.00	-	-	-	-	-	-	-	-	-	-	28.00	28.00	28.00
Other Bank Balance	-	19.35	-	-	-	-	-	-	-	-	-	-	19.35	19.35	19.35
Derivative financial assets	-	43.98	-	-	-	-	43.98	-	-	43.98	-	-	-	43.98	43.98
Other Financial Assets	1.39	46.61	-	-	-	-	-	-	-	-	-	-	48.00	48.00	48.00
Total	2,990.74	321.63	107.26	-	-	107.26	0.02	-	49.52	93.52	-	-	3,111.59	3,312.37	3,312.37
Financial Liabilities															
Borrowings	202.73	283.88	486.61	-	-	-	-	-	-	-	-	-	486.61	486.61	486.61
Trade Payables	93.68	93.68	-	-	-	-	-	-	-	-	-	-	93.68	93.68	93.68
Other Financial Liabilities	110.34	110.34	-	-	-	-	-	-	-	-	-	-	110.34	110.34	110.34
Total	202.73	487.90	690.63	-	-	-	-	-	-	-	-	-	690.63	690.63	690.63
Financial Assets and Liabilities as at 31st March, 2018															
Financial Assets															
Investments															
- Equity instruments	2,791.56	10.09	14.87	-	-	14.87	0.02	-	45.43	45.45	-	-	2,741.32	2,801.65	2,801.65
- Debt instruments	51.19	58.05	109.25	-	-	109.25	-	-	-	-	-	-	-	109.25	109.25
- Fixed deposits	-	26.21	26.21	-	-	-	-	-	-	-	-	-	26.21	26.21	26.21
Loans	38.06	14.69	52.75	-	-	-	-	-	-	-	-	-	52.75	52.75	52.75
Trade receivable	-	140.02	-	-	-	-	-	-	-	-	-	-	140.02	140.02	140.02
Cash and Cash equivalents	-	17.75	-	-	-	-	-	-	-	-	-	-	17.75	17.75	17.75
Other Bank Balance	-	3.54	-	-	-	-	-	-	-	-	-	-	3.54	3.54	3.54
Other Financial Assets	3.42	65.34	68.76	-	-	-	-	-	-	-	-	-	68.76	68.76	68.76
Total	2,884.24	335.69	321.92	-	-	124.12	0.02	-	45.43	45.45	-	-	3,050.35	3,219.92	3,219.92
Financial Liabilities															
Borrowings	279.38	256.97	536.34	-	-	-	-	-	-	-	-	-	536.34	536.34	536.34
Trade Payables	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
Total	279.38	462.97	742.35	-	-	-	-	21.75	-	21.75	-	-	720.60	742.35	742.35

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B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values for investment in equity shares other than subsidiaries, joint venture and associate were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

D. Valuation technique used to determine fair value

The following is the valuation technique used in measuring Level 2 and Level 3 fair values, for the financial instruments measured at fair value in the statement of financial position, as well as significant unobservable inputs used.

Financial Instruments measured at fair value

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair valuation
Investments in unquoted instruments accounted for as Fair value through Other Comprehensive Income. - Level 3	DCF method	(i) Discounting rate: March 2019: 9.53% (March 2018: 9.53 %) (ii) Growth rate: March 2019: 7% (March 2018: 7%)	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 2019	As at 31st March 2018
+/- 0.5% Discount rate and Growth rate	Increase	4.62	2.36
	Decrease	4.34	2.36

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F. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

	Unlisted equity securities
As at 1 April 2017	39.59
Gains/ (losses) recognised in other comprehensive income	5.83
As at 31 March 2018	45.42
Gains/(losses) recognised in Other Comprehensive Income	4.09
As at 31 March 2019	49.52

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 risk management committee and 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 2019, the carrying amount of the Company's largest customer which is its subsidiary (excluding advances) was ₹ 50.63 crores (31st March 2018 - ₹ 40.79 crores). As at 31st March 2019 and 31st March 2018, the Company did not have any significant concentration of credit risk with any external customers.

Notes (Contd.)

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(i) Expected credit loss assessment for Trade and Other receivables as at 31st March, 2018 and 31st March, 2019:

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 amount
As at 31st March, 2019	139.21	9.06	130.15
As at 31st March, 2018	148.60	8.58	140.02

(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, 2017	15.92
Movement during the year	(7.34)
Balance as at 31st March, 2018	8.58
Movement during the year	0.03
Balance as at 31st March, 2019	8.61

2 Cash and bank balances

The Company held Bank balance of ₹ 47.56 crores at March 31, 2019 (31st March, 2018: ₹ 23.54 crore). The same are held with bank and financial institution counterparties with good credit rating.

3 Derivatives

The forward cover has been entered into with banks /financial institution counterparties with good credit rating.

4 Others

Other than trade receivables reported above, the Company has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. The Company has access to a sufficient variety of sources of short term funding with existing lenders. The Company has arrangements with the reputed banks and has unused line of credit that could be drawn upon should there be need.

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(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in crores)

Contractual maturities of financial liabilities as at 31 March 2019	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives				
Long term borrowings (inclusive of accumulated interest)	111.50	85.09	134.15	330.74
Working Capital Facility and Short term loans and borrowings	283.88	-	-	283.88
Trade payables	93.68	-	-	93.68
Provisions	8.03	-	-	8.03
Total non-derivative liabilities	497.09	85.09	134.15	716.33
Derivatives (net settled)				
Foreign exchange forward contracts	(43.98)	-	-	(43.98)
Total derivative liabilities / (assets)	(43.98)	-	-	(43.98)
Contractual maturities of financial liabilities as at 31st March, 2018				
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

(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, Chinese Renminbi (RMB), SGD and CHF. 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.

Notes (Contd.)

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Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting year expressed in ₹, are as follows

Sr No.	Particulars	Currency	31 March 2019		31 March 2018	
			(₹ in crores)	FC in Mn.	(₹ in crores)	FC in Mn.
A Financial assets						
(i)	Trade receivables	EURO	30.26	3.90	9.31	1.16
		USD	47.72	6.90	123.66	18.97
		GBP	-	-	0.13	0.01
		CHF	4.71	0.68	5.78	0.85
		SGD	-	-	1.69	0.34
		NZD	0.02	0.00	-	-
(ii)	Loans and Advances	USD	96.88	14.01	56.09	8.61
(iii)	Bank balance in EEFC accounts	USD	0.02	0.00	-	0.00
		EURO	0.04	0.00	0.00	0.00
B Financial liabilities						
(i)	Foreign currency loan					
	Bank loan	USD	351.54	50.84	341.83	52.45
		EURO	57.42	7.40	109.98	13.70
		GBP	84.48	9.38	77.68	8.50
		CHF	45.42	6.54	-	0.00
	Interest Payable	USD	0.53	0.08	-	-
(ii)	Trade payables	USD	9.95	1.44	74.58	11.44
		EURO	1.43	0.18	2.70	0.34
		GBP	0.06	0.01	0.11	0.01
		CHF	0.32	0.05	-	-
		CNY	0.10	0.09	-	-
		JPY	(0.03)	(0.54)	-	-

The Company has entered into forward contract transactions, 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 2019		31 March 2018		
					Foreign currency in Mn.	(₹ in Crores)	Foreign currency in Mn.	(₹ in Crores)	
Forward Cover	To hedge export receivables	USD	Sell	INR	\$ 95.83	662.68	\$ 16.45	107.21	
		CHF	Sell	USD	-	-	\$ 9.92	64.62	
		GBP	Sell	USD	-	-	\$ 17.60	114.69	
			EURO	Sell	USD	-	-	\$ 16.81	109.55
			EURO	Sell	INR	-	-	€ 32.00	256.95
			CHF	Sell	INR	CHF 20	138.97	CHF 21.75	148.67
			GBP	Sell	INR	\$ 15.64	140.93	\$ 38.25	349.36
	To hedge foreign Currency Loan	CHF	Buy	INR	CHF 3.34	23.18	-	-	
		GBP	Buy	USD	\$ 4.30	38.75	-	-	
Swap Cover	To hedge Foreign Currency Loan	CHF	Sell	USD	-	-	CHF 25.06	171.27	
		CHF	Sell	INR	CHF 4.31	29.93	CHF 6.73	46.03	
		GBP	Sell	INR	-	-	£ 3.63	33.16	

Notes (Contd.)

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(c) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
March 31, 2019				
Effect in INR				
1 % movement				
USD	8.80	(8.80)	8.80	(8.80)
EUR	0.74	(0.74)	0.74	(0.74)
GBP	1.41	(1.41)	1.41	(1.41)
March 31, 2018				
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)
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 2019, the Company's borrowings at variable rate were mainly denominated in USD, EURO and CHF.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	(₹ in crores)	
	31 March 2019	31 March 2018
	Nominal amount	Nominal amount
Variable rate borrowings	584.36	621.57
Fixed rate borrowings	-	-
Total borrowings	584.36	621.57

(b) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Impact on profit after tax	
	As at 31 March 2019	As at 31 March 2018
Interest rates – increase by 50 basis points *	(2.92)	(3.11)
Interest rates – decrease by 50 basis points *	2.92	3.11

* Holding all other variables constant

Notes (Contd.)

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(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	1,004.51	-	-	(27.95)	April, 2019 to May, 2021	Other financial liabilities
Interest and currency Swap	29.87	-	29.93	0.06	August, 2018 to October, 2019	Long term borrowings and Other financial liabilities
Foreign currency term loans	355.24	-	374.40	19.16	October, 2018 to Septemeber, 2019	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	1,389.62	(8.73)	(8.73)	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 31st March, 2019 was as follows.

(₹ in crores)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings		
Long term and Short term borrowings	486.61	536.34
Current maturities of Long term borrowings	97.75	85.22
Less: Cash and cash equivalents	(47.35)	(21.29)
Adjusted net debt	537.02	600.28
Total Equity	4,892.37	4,791.58
Adjusted net equity	4,892.37	4,791.58
Adjusted net debt to adjusted equity ratio	0.11	0.13

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 ₹ 117.60 crores (P.Y. ₹ 150.33 crores) as on March 31, 2019.

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Note 27: Employee benefits

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

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, 2019	For the year ended March 31, 2018
		Gratuity (Non-funded)	Gratuity (Non-funded)
I	Expenses recognised in statement of profit and loss during the year:		
1	Current Service Cost	0.84	0.70
2	Past Service Cost	-	0.97
3	Interest cost	0.56	0.44
	Total Expenses	1.40	2.10
II	Expenses recognised in OCI		
1	Actuarial changes arising from changes in demographic assumptions	-	-
2	Actuarial changes arising from changes in financial assumptions	(0.03)	(0.24)
3	Actuarial changes arising from changes in experience adjustments	(0.49)	(0.01)
	Total Expenses	(0.52)	(0.25)
III	Net (Asset) /Liability recognised as at balance sheet date:		
1	Present value of defined benefit obligation	8.44	8.03
2	Net (Asset) /Liability - Current	1.13	1.30
	Net (Asset) /Liability - Non- Current	7.31	6.73
IV	Reconciliation of Net (Asset) / Liability recognised as at balance sheet date:		
1	Defined benefit obligation at the beginning of the year	8.03	6.63
2	Current Service Cost	0.84	0.70
3	Past Service Cost	0.00	0.97
4	Interest cost	0.56	0.44
5	Actuarial loss/(gain) due to change in financial assumptions	(0.03)	(0.24)
6	Actuarial loss/(gain) due to change in demographic assumption	-	-
7	Actuarial loss/ (gain) due to experience adjustments	(0.49)	(0.01)
8	Benefit paid	(0.47)	(0.45)
	Net (asset) / liability at the end of the year	8.44	8.03
V	Maturity profile of defined benefit obligation		
1	Within the next 12 months (next annual reporting period)	1.13	1.30
2	Between 2 and 5 years	3.50	3.10
3	Between 6 and 10 years	3.81	3.56
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	(0.28)	(0.26)
(ii)	0.5% decrease in discount rate	0.29	0.27
(iii)	0.5% increase in rate of salary increase	0.25	0.22
(iv)	0.5% decrease in rate of salary increase	(0.24)	(0.22)
(v)	10% increase in employee turnover rate	0.05	0.05
(vi)	10% decrease in employee turnover rate	(0.06)	(0.05)

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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 31st March, 2019	As at 31st March, 2018
1	Discount rate	7.65% p.a	7.60% 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:

- Amount recognised as an expense in the Statement of Profit and Loss and included in Note 19 under "Salaries and wages": Gratuity ₹ 1.40 crores (Previous year - ₹ 2.10 crores) and Leave encashment ₹ 0.98 crores (Previous year - ₹ 1.94 crores)
- 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" ₹ 2.23 crore (Previous Year - ₹ 1.71 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 shall be changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" (DCAL).

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

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The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'ble High Court, Gujarat, which is different from Ind AS'103 "Business Combinations". Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of ₹ 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, 2019 would have been lower by ₹ 88.46 Crore (March 31, 2018 : ₹ 88.46 crores) and Profit before tax for the year ended March 31, 2019 and March 31, 2018 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)
	3,483.14
Net assets taken over by the Company	3,483.14
Consideration to be discharged by the Company	4,810.00
161,394,272 Shares of the Company of ₹ 2/- each at a premium of ₹ 296.02 per share.	
Goodwill- excess of consideration over net assets taken over by the Company.	1,326.86

The Goodwill is attributable mainly to the Developed technology, Customer relationship, skills and technical talents, and synergies expected to be achieved out of consolidation of business in the form of wider portfolio of products and services with diversified resources and deeper customer relationships. Accordingly Goodwill is amortised over its estimated useful life of 15 years.

The above assets and liabilities have been incorporated in the accounts of the Company as they stand as on April 1, 2016 after making adjustments for IndAS as required in line with the accounting policies, options and exemptions opted by the Company on transition to IndAS.

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Note 29: Contingent liabilities

Particulars	(₹ in crores)	
	As at 31st March, 2019	As at 31st March, 2018
a) Labour Law claims against the Company not acknowledged as debt	0.12	0.11
b) (i) Outstanding guarantees furnished to the bank in respect of wholly owned subsidiaries	88.17	211.64
(ii) Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	10.38	57.92
c) Disputed central excise duty (including service tax) liability	3.97	3.48
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 ₹ 55.76 crores (Previous year ₹ 48.73 crores) under protest.*	336.15	175.25
e) Disputed sales tax and central sales tax liability	4.34	4.34

*The Income -Tax Assessments of the Company have been completed up to Assessment Year 2015-16. The total contingent liabilities is ₹ 336.15 crore as on March 31, 2019. Based on the management evaluation, advice of tax consultants, on the decisions of the various Appellate authorities and the interpretations of other relevant provisions of the Income tax Act, the management of the company is of the opinion that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. Further, the Commissioner of Income Tax and Hon'ble ITAT has given the judgment/rulings in favour of the Company in certain cases. However, as the Department or the company has contested the judgment/rulings in Hon'ble ITAT or High Court, the amount has been shown as contingent liabilities

Note 30: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	(₹ in crores)	
	As at 31st March, 2019	As at 31st March, 2018
Property, plant and equipment	16.67	16.59

(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	(₹ in crores)	
	As at 31st March, 2019	As at 31st March, 2018
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:		
Within one year	0.25	0.26
Later than one year but not later than five years	0.14	0.38
Later than five years	-	-
	0.39	0.64

Rent expense relating finance lease

Particulars	(₹ in crores)	
	As at 31st March, 2019	As at 31st March, 2018
Rent expense relating finance lease	0.04	0.08
Total rental expense relating to Hire charges	0.04	0.08

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 ₹ 3.25 crores (PY. ₹ 1.82 crores)

Notes (Contd.)

forming part of the financial statements

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. (upto 30.11.2018)
Holding Company	Adimans Technologies Pvt. Ltd. (from 01.12.2018 to 27.01.2019)
Holding Company	Adimans Technologies LLP (w.e.f. 28.01.2019)
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 (formerly known as Dishman Pharma Solutions AG)
Subsidiary	Dishman Australasia Pty Ltd.
Subsidiary	CARBOGEN AMCIS Ltd., U.K.
Subsidiary	Dishman Middle East FZE
Subsidiary	Dishman Carbogen Amcis (Japan) Ltd. (formerly known as Dishman Japan Ltd.)
Subsidiary	Dishman Carbogen Amcis (Singapore) Pte Ltd. (up to 13.09.2018)
Step Down Subsidiary	CARBOGEN AMCIS (Shanghai) Co. Ltd. (w.e.f. 01.10.2017)
Step Down Subsidiary	CARBOGEN AMCIS AG
Step Down Subsidiary	CARBOGEN AMCIS B.V. (formerly knowns as 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	Dishman Carbogen Amcis (Singapore) Pte Ltd. (w.e.f. 14.09.2018)
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
Key Management Personnel (KMP) - Global CFO	Mr. Harshil R. Dalal (Appointed w.e.f. 28.11.2018)
Key Management Personnel (KMP) - Company Secretary and Compliance Officer	Ms. Shrima G. Dave
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. *
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	Aamanya AG*
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.

** Liquidated during the year.

Notes (Contd.)

forming part of the financial statements

b) Details of related party transactions for the year ended on 31st March, 2019 and balances outstanding as at 31st March, 2019:

(₹ 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)	17.05 (12.13)	- (-)	- (-)	- (-)	0.20 (-)	17.26 (16.82)
Sale of goods / services	363.48 (280.74)	52.50 (37.33)	- (-)	- (-)	- (-)	18.39 (1.23)	434.38 (319.29)
Rendering of services	0.10 (1.69)	- (0.45)	- (-)	- (-)	- (-)	- (-)	0.10 (2.15)
Receiving of services	0.31 (6.61)	0.15 (0.13)	- (-)	0.20 (0.02)	0.08 (0.08)	3.97 (2.52)	4.72 (9.35)
Royalty expenses	2.06 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.06 (-)
Investment	1.81 (187.12)	- (-)	- (-)	- (-)	- (-)	- (-)	1.81 (187.12)
Share Application Money	- (1.79)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.79)
Sale of long term investments	- (167.37)	- (-)	- (-)	- (-)	- (-)	- (-)	- (167.37)
Interest income	- (0.21)	2.72 (-)	- (-)	- (-)	- (-)	4.55 (4.55)	7.27 (4.76)
Interest expenses	5.98 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.98 (-)
Dividend income	40.02 (41.88)	- (-)	- (-)	- (-)	- (-)	- (-)	40.02 (41.88)
Loan & advances given	- (-)	103.92 (-)	- (-)	- (-)	- (-)	- (-)	103.92 (-)
Repayment loans & advances given	- (1.02)	5.84 (-)	- (-)	- (-)	- (-)	- (-)	5.84 (1.02)
Remuneration	- (-)	- (-)	- (-)	4.35 (5.23)	1.20 (1.20)	- (-)	5.54 (6.43)
Sitting fees to Non Executive Directors	- (-)	- (-)	- (-)	0.12 (0.08)	- (-)	- (-)	0.12 (0.08)
Commission to Non Executive Directors	- (-)	- (-)	- (-)	0.44 (0.41)	- (-)	- (-)	0.44 (0.41)
Guarantee commission income	1.08 (2.38)	- (-)	- (-)	- (-)	- (-)	- (-)	1.08 (2.38)
Guarantees and collaterals withdrawn during the period	123.47 (50.83)	- (-)	- (-)	- (-)	- (-)	- (-)	123.47 (50.83)
Trade advances received back	- (-)	- (-)	- (-)	- (-)	- (-)	34.94 (-)	34.94 (-)
Trade advances given	- (-)	- (-)	- (-)	- (-)	- (-)	17.44 (43.13)	17.44 (43.13)

Notes (Contd.)

forming part of the financial statements

(₹ 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	63.18 (45.98)	28.69 (12.80)	- -	- -	- -	20.10 (2.58)	111.96 (61.36)
Trade advances given	-	-	-	-	-	42.51 (60.01)	42.51 (60.01)
Trade advances received	84.25 (118.05)	-	-	-	-	-	84.25 (118.05)
Guarantees and collaterals given	88.17 (211.64)	-	-	-	-	-	88.17 (211.64)
Guarantees given by Dishman Infrastructure Ltd. on behalf of the company	-	-	-	-	-	40.13 (50.95)	40.13 (50.95)
Loans and advances given	93.97 (8.09)	2.01 (35.08)	-	-	-	58.56 (54.46)	154.54 (97.62)
Trade payables	5.01 (3.37)	3.60 (1.21)	-	0.16 (0.02)	- (0.07)	0.20 (0.00)	8.97 (4.67)

Note: Figures in bracket relates to the previous year

(₹ in crores)			
Particulars	Name of the related party	F.Y. 2018-19	FY 2017-18
Purchase of goods	CARBOGEN AMCIS (Shanghai) Co. Ltd.	-	11.21
	Shanghai Yiqian International Trade Co. Ltd.	15.16	5.61
	CARBOGEN AMCIS B.V.	1.89	-
Sale of goods / services	Dishman Europe Ltd.	270.94	185.46
	CARBOGEN AMCIS AG	32.15	36.48
	Dishman USA Inc.	85.17	89.18
	Dishman Austrasia Pty. Ltd.	4.76	2.10
	CARBOGEN AMCIS B.V.	20.36	0.85
	Aamanya AG	17.29	-
Rendering of services	Dishman USA Inc.	-	0.55
	Dishman International Trading (Shanghai) Co..Ltd.	0.10	0.87
	Dishman Carbogen Amcis (Japan) Ltd.	-	0.27
	Shanghai Yiqian International Trade Co. Ltd.	-	0.45
Receiving of services	Dishman USA Inc.	-	6.61
	Dishman Biotech Ltd.	1.56	-
	Discus IT Pvt. Ltd.	1.87	2.05
Royalty expense	CARBOGEN AMCIS Holding AG	2.06	-
Investment	Dishman Carbogen Amcis (Singapore) Pte. Ltd	1.79	187.12
Share Application Money given	Dishman Carbogen Amcis (Singapore) Pte. Ltd	-	1.79
Sales of long term investment	Dishman Carbogen Amcis (Singapore) Pte. Ltd	-	167.37
Interest Income	Dishman Infrastructure Ltd.	4.55	4.55
	Dishman Carbogen Amcis (Singapore) Pte. Ltd.	2.72	-
Interest expenses	Dishman USA Inc.	5.98	-
Dividend income	CARBOGEN AMCIS Holding AG	18.88	22.56
	Dishman Europe Ltd.	21.14	19.31
Loans and advances given	Dishman Carbogen Amcis (Singapore) Pte. Ltd	103.92	-
Repayment of loans and advances given	Dishman Austrasia Pty. Ltd.	-	1.02
	Dishman Carbogen Amcis (Singapore) Pte. Ltd.	5.84	-
Remuneration does not include post-employment benefits and Other long term benefits.	Mr. Janmejy R.Vyas	1.58	2.73
	Mrs. Deohooti J.Vyas	1.20	1.25
	Mr. Arpit J.Vyas	1.20	1.25
	Mr. Harshil R. Dalal	0.30	-

Notes (Contd.)

forming part of the financial statements

				(₹ in crores)	
Particulars	Name of the related party	F.Y. 2018-19		FY 2017-18	
Sitting fees to Non Executive Directors	Mr. Sanjay S. Majmudar	0.04		0.03	
	Mr. Ashok C. Gandhi	0.04		0.03	
	Mr. Subir Kumar Das	0.03		0.02	
	Mr. Rajendra S. Shah	0.01		0.01	
Commission to Non Executive Directors	Mr. Sanjay S. Majmudar	0.15		0.13	
	Mr. Ashok C. Gandhi	0.11		0.10	
	Mr. Subir Kumar Das	0.10		0.10	
	Mr. Rajendra S. Shah	0.08		0.08	
Guarantee commission income	CARBOGEN AMCIS Holding AG	1.08		2.38	
Guarantees and collaterals withdrawn during the period	Dishman USA Inc.	32.07		34.91	
	CARBOGEN AMCIS Holding AG	91.40		15.92	
Trade advances given	Dishman Biotech Ltd.	17.44		43.13	
Trade advances received back	Dishman Biotech Ltd.	34.94		-	
Outstanding balance of trade receivables	Dishman Europe Ltd.	9.73		40.79	
	CARBOGEN AMCIS AG	8.37		10.85	
	Dishman USA Inc.	50.63		31.31	
	CARBOGEN AMCIS B.V.	20.32		1.85	
	Aamanya AG	17.29		-	
Outstanding trade advances given	Dishman Biotech Ltd.	42.51		60.01	
Outstanding trade advances received	Dishman USA Inc.	84.25		118.05	
Outstanding balances of guarantees and collaterals	CARBOGEN AMCIS Holding AG	-		91.40	
	Dishman USA Inc.	88.17		120.24	
Outstanding balance of Loans and advance	CARBOGEN AMCIS (Shanghai) Co. Ltd.	2.01		35.08	
	Dishman Infrastructure Ltd.	58.56		54.46	
	Dishman Carbogen Amcis (Singapore) Pte. Ltd	93.97		-	

(d) **Key management personnel compensation**

(₹ in crores)

Executive directors*

Remuneration

31 March 2019 31 March 2018

Total compensation

3.98 5.23

* 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 DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 and section 186(4) of Companies Act, 2013):**

(i) **Loans and advances in the nature of loans to subsidiaries / others**

(₹ in crores)

Name of the Company	Outstanding at the beginning of the year	Given during the year	Adjusted/ repaid during the year	Other adjustments	Closing at the end of the year	Maximum amount outstanding during the year	Purpose
CARBOGEN AMCIS (Shanghai) Co. Ltd.	2.22	-	-	0.00	2.22	2.22	Other corporate purpose
Dishman Infrastructure Ltd.	38.06	-	-	-	38.06	38.06	Other corporate purpose
Dishman Carbogen Amcis (Singapore) Pte. Ltd.	-	103.92	(5.84)	(4.11)	93.97	103.92	Other corporate purpose

(ii) **Guarantees given to subsidiaries :**

Name of the Company	As at March 31, 2019		As at March 31, 2018		Purpose
	Foreign currency in Mn.	Amount in ₹ Cr	Foreign currency in Mn.	Amount in ₹ Cr	
CARBOGEN AMCIS Holding AG	-	-	CHF 13.37	91.40	For loan obtained by subsidiary for business purpose.
Dishman USA Inc.	USD 12.75	88.17	USD 18.45	120.24	For loan obtained by subsidiary for business purpose.

Notes (Contd.)

forming part of the financial statements

Note 32: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :		(₹ in crores)	
Particulars	2018-19	2017-18	
a) Principal amount due to suppliers under MSMED Act, 2006	6.34	2.88	
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.07	0.24	
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	22.80	7.75	
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	0.45	
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.52	0.45	

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, 2019	For the year ended 31 March, 2018	
(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	3.47	2.30	
(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	3.47	2.30	
(c) Reconciliations of earnings used in calculating earnings per share			
<i>Basic earnings per share</i>			
Profit attributable to the equity holders of the company used in calculating basic earnings per share:			
From continuing operations	56.01	37.07	
<i>Diluted earnings per share</i>			
Profit from continuing operations attributable to the equity holders of the Company:			
Used in calculating basic earnings per share	56.01	37.07	
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	56.01	37.07	
(d) Weighted average number of shares used as the denominator	2018-19	2017-18	
	Number of shares	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 per Ind AS – 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.

Notes (Contd.)

forming part of the financial statements

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, 2019 and 31st March, 2018.

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, 2019	For the year ended 31 March, 2018
Annual Maintenance	0.14	0.05
Consumables	0.31	0.07
Conveyance	0.15	0.09
Laboratory Expenses	3.36	0.95
Others	0.55	0.20
Repair & maintenance	0.43	0.30
Raw Material Consumption	0.41	0.11
Salary & Wages	7.87	3.43
Subscription Expenses	0.54	0.04
Total	13.77	5.24

Note 35: (ii) Details of research and development expenditure recognised as capital expenses

(₹ in crores)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Plant & Machinery	0.45	0.01
Office Equipments and Computers	0.13	0.08
CWIP - Laboratory equipment	0.03	0.61
Intangible assets under development	0.21	20.36
Total	0.82	21.06

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. 33 of Consolidated Financial Statements).

Note 37: The Company is not a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Note 38: The financial statements were authorised for issue by the Company's Board of directors on 15-May-2019.

As per our attached 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

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Hemant J. Bhatt
Partner
Membership No. 036834

Vimal D. Shukla
Proprietor
Membership No. 036416

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Place : Ahmedabad
Date : 15th May, 2019

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 Audit of the Consolidated Ind AS Financial Statements

Opinion

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, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013 ("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 Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit (including other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of Arrangement and Amalgamation ("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 the Scheme 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 103 – 'Business Combinations' (Ind AS 103). Had the goodwill not been amortised as required under Ind AS 103, the Depreciation and Amortisation expense for the year ended March 31, 2019 would have been lower by ₹ 88.46 Crores and Profit before tax for the year ended March 31, 2019 would have been higher by an equivalent amount. Our opinion is not modified in respect of this matter paragraph to be added.

Key Audit Matters

Key Audit Matter	How was the matter addressed in our audit
<p>Impairment assessment of the carrying value of Goodwill - Holding Company (Refer Note 4 to the consolidated financial statements)</p> <p>Goodwill, with a carrying value of ₹ 950.93 Crores as on March 31, 2019, is a significant item on the balance sheet and the management of the Holding Company performs impairment assessment of the goodwill annually.</p> <p>In performing such impairment assessments, management compared the carrying value of each of the identifiable cash generating units ("CGUs") to which goodwill had been allocated with their respective 'value in use' computed based on discounted cash flow method, to determine if any impairment loss should be recognized.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows in the model prepared by the management to support the carrying value of Goodwill and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</p>	<p>Our audit procedures for goodwill impairment assessment includes the following:</p> <ul style="list-style-type: none"> • Evaluated the design and implementation of the processes and internal controls relating to impairment of non-financial assets including goodwill; • Evaluated management's identification of CGU's, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the prevailing accounting standards; • Evaluated appropriateness of key assumptions included in the cash flow forecasts used in computing recoverable amount of each CGU, such as, growth rates, profitability, discount rates, etc., with reference to our understanding of their business and historical trends;

Independent Auditors' Report (Contd.)

	<ul style="list-style-type: none"> • Considered the work of valuation specialists to evaluate the appropriateness of methodology used to compute the recoverable amount of the CGU and the key underlying assumptions; and • Evaluated the appropriateness of the disclosure in the financial statements and assessed the completeness and mathematical accuracy.
<p>Impairment assessment of carrying value of Goodwill on Consolidation (Refer Note 4 to the consolidated financial statements)</p> <p>Goodwill on consolidation is not amortised and is tested for impairment.</p> <p>The Group's Management performed impairment assessment for Goodwill on consolidation having carrying value of ₹ 2,519.37 Crores as on March 31, 2019. These impairment tests are based on future business forecasts and budgets and other parameters.</p> <p>We considered this as a key audit matter due to the amount involved and significant judgement involved in estimating future cash flows in the model prepared by the management to support the carrying value of Goodwill on Consolidation and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model in respect of the underlying business.</p>	<p>Our audit procedures on testing for impairment of goodwill on consolidation includes the following:</p> <ul style="list-style-type: none"> • Assessing the impact of recent developments influencing the current business performance on the valuation and considering the potential impact of possible downside changes in the key assumptions (stress testing); • Evaluated management's identification of CGU's, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the prevailing accounting standards; • Evaluated appropriateness of key assumptions included in the cash flow forecasts used in computing recoverable amount of each CGU, such as, growth rates, profitability, discount rates, etc., with reference to our understanding of their business and historical trends; • Considered the work of valuation specialists to evaluate the appropriateness of methodology used to compute the recoverable amount of the CGU and the key underlying assumptions; and • Evaluated the appropriateness of the disclosure in the financial statements and assessed the completeness and mathematical accuracy.
<p>Evaluation of uncertain tax positions - (Refer Note 2.20 and Note 26 to the consolidated financial statements)</p> <p>The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. Hence, this has been considered as a key audit matter.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; • Read and analysed select key correspondences, external legal opinions / consultations by the management for key uncertain tax positions; • Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and • Assessed the management's estimate of the possible outcome of the disputed cases.
<p>Accounting and valuation of Hedging Instrument - Holding Company (Refer Note 35(D) to the consolidated financial statements)</p> <p>The Holding Company uses derivative financial instrument contracts to manage its exposure in foreign currency risk and interest rate risk. These contracts gave rise to derivative financial assets of ₹ 43.98 Crores and Cash Flow Hedge Reserve of ₹ 8.73 Crores as at March 31, 2019.</p> <p>These contracts are recorded at fair value and cash flow hedge accounting is applied, such that gains and losses arising from fair value changes are deferred in equity and recognised in the consolidated statement of profit and loss when hedges mature. The large number of contracts necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date.</p> <p>The valuation of hedging instruments and consideration of hedge effectiveness has been identified as a key audit matter as it involves a significant degree of both complexity and management judgement and are subject to an inherent risk of error.</p>	<p>Our audit procedures on accounting and valuation of hedging instrument are summarised below:</p> <ul style="list-style-type: none"> • Obtained understanding and evaluated the design and implementation of the processes and internal controls relating to accounting and valuation of hedge instruments; • Tested the Holding Company's key internal financial controls over derivative financial instruments and hedge accounting; • Verified, on a sample basis, hedge documentation and contracts; • Re-performed, on a sample basis, the year-end valuations of derivative financial instruments and calculations of hedge effectiveness; and • Obtained confirmation of year-end derivative financial instruments from counterparties, on a sample basis.

Independent Auditors' Report

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the 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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditors' Report (Contd.)

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) The consolidated Ind AS financial statements include amounts in respect of 2 (Two) subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 4.70 Crores and net assets of ₹ 1.77 Crores as at March 31, 2019, total revenue of ₹ 5.25 Crores and net cash in flow amounting to ₹ 0.47 Crores for the year ended on that date. These Ind AS financial statements, have been audited by V.D. Shukla & Co., Chartered Accountants, one of the joint auditor of the Holding Company whose reports have been furnished to us by the management and reliance has been placed by the other auditor of the Holding Company for the purpose of this report.
- b) We did not audit the Ind AS financial statements of 12 (Twelve) subsidiaries, whose Ind AS financial statements reflects total assets of ₹ 5,026.96 Crores and net assets of ₹ 3,931 Crores as at March 31, 2019, total revenues of ₹ 2,028.44 Crores and net cash inflow amounting to ₹ 1,020.43 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements/financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS financial statements and our report on 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.

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 so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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;

Independent Auditors' Report (Contd.)

- d. In our opinion, except for the effects of the matters described in the Emphasis of Matter section of our report, 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.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company none of the directors of the Group companies is disqualified as on March 31, 2019 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 with reference to financial statements of the Holding Company 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 the requirements of section 197(16) of the Act;
- In our opinion and to the best of our information and according to the explanations given to us by the Holding Company the remuneration paid to their directors during the year by the Holding Company is in accordance with the provisions of section 197 of the Act;
- h. 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 26 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 & 34 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;
 - (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 15, 2019

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 15, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to 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, 2019]

Report on the Internal Financial Controls with reference to Financial Statements 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 **Dishman Carbogen Amcis Limited** ("Company" or "Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating

Independent Auditors' Report (Contd.)

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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, 2019, 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 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 15, 2019

Vimal D. Shukla
Proprietor
Membership No.036416
Place : Ahmedabad
Date : May 15, 2019

Consolidated Balance sheet

as at 31st March, 2019

Particulars	Note No.	(₹ in crores)	
		As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,533.03	1,503.33
(b) Capital work-in-progress	2	143.33	119.00
(c) Investment property	3	5.20	5.17
(d) Goodwill	4	3,470.29	3,532.95
(e) Other intangible assets	4	89.05	24.42
(f) Intangible assets under development		31.92	31.71
(g) Financial assets			
i. Investments	5(a) (i)	147.41	101.43
ii. Loans	5(c)	37.64	38.06
iii. Others	5(e)	2.51	4.61
(h) Deferred tax assets (Net)	6(a)	7.95	7.47
(i) Current tax Assets (Net)		98.40	86.21
(j) Other non-current assets	7	208.16	175.97
Total non-current assets		5,774.89	5,630.33
Current assets			
(a) Inventories	8	548.62	484.56
(b) Financial assets			
i. Investments	5(a) (ii)	19.72	94.35
ii. Trade receivables	5(b)	445.30	444.40
iii. Cash and cash equivalents	5(d) (i)	76.32	65.52
iv. Bank balances other than (iii) above	5(d) (ii)	19.35	3.54
v. Loans	5(c)	4.17	75.51
vi. Others	5(e)	93.16	24.43
(c) Other current assets	10	346.93	353.84
Total current assets		1,553.57	1,546.15
Total assets		7,328.46	7,176.48
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11(a)	32.28	32.28
(b) Other equity	11(b)	5,346.81	5,075.05
		5,379.09	5,107.33
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	12(a)	362.41	524.98
(b) Provisions	13	248.31	234.34
(c) Deferred tax liabilities (Net)	6(a)	140.35	132.11
Total non-current liabilities		751.07	891.43
Current liabilities			
(a) Financial liabilities			
i. Borrowings	12(b)	520.09	393.31
ii. Trade payables	12(c)		
a. Total Outstanding dues of Micro Enterprises and Small Enterprises		6.34	2.88
b. Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		188.23	183.04
iii. Other financial liabilities	12(d)	263.56	287.05
(b) Other current liabilities	14	166.79	228.83
(c) Provisions	13	19.31	22.01
(d) Current tax liabilities (Net)	9	33.98	60.60
Total current liabilities		1,198.30	1,177.72
Total liabilities		1,949.37	2,069.15
Total equity and liabilities		7,328.46	7,176.48

Significant accounting policies

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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 : 15th May, 2019

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

Particulars	Note No.	(₹ in crores)	
		For the year ended 31 March, 2019	For the year ended 31 March, 2018
Revenue			
(a) Revenue from operations	15	2,058.60	1,694.79
(b) Other income	16	53.82	45.69
Total income		2,112.42	1,740.48
Expenses			
(a) Cost of materials consumed	17	378.01	390.98
(b) Purchases of stock-in-trade		-	11.21
(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	18	25.77	(65.26)
(d) Employee benefit expense	19	714.64	625.40
(e) Finance costs	20	56.55	48.83
(f) Depreciation and amortisation expense	21	240.38	211.42
(g) Other expenses	22	388.28	287.11
Total expenses		1,803.63	1,509.69
Profit before exceptional items, tax and share of profit from associates		308.79	230.79
Share of profit from associates		-	-
Profit before exceptional items and tax		308.79	230.79
Exceptional items		-	-
Profit before tax		308.79	230.79
Tax expense	23		
(a) Current tax		89.06	48.72
(b) Deferred tax		9.40	27.50
Profit after tax		210.33	154.57
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(15.46)	0.22
(b) Income Tax on above		3.02	(0.09)
(c) Equity Instruments designated through other comprehensive income		4.09	5.83
(d) Income Tax on above		(1.43)	(2.04)
(B) Items that will be reclassified to profit or loss			
(a) (i) Movement in Foreign Currency Translation Reserve		29.31	167.91
(b) (i) Foreign Exchange Fluctuation in respect of cash flow hedge		41.90	(33.05)
Other Comprehensive Income for the year (net of tax)		61.43	138.78
Total Comprehensive Income for the year		271.76	293.35
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		210.33	154.57
(b) Non Controlling Interest		-	-
Other Comprehensive Income for the year attributable to :		210.33	154.57
(a) Owners of the Company		61.44	138.78
(b) Non Controlling Interest		-	-
Total Comprehensive Income for the year attributable to :		61.44	138.78
(a) Owners of the Company		271.76	293.35
(b) Non Controlling Interest		-	-
		271.76	293.35
Earnings per equity share of face value of ₹ 2/- each:			
(a) Basic earnings per share (in ₹)	24	13.03	9.58
(b) Diluted earnings per share (in ₹)	24	13.03	9.58
Significant accounting policies	1		

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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 : 15th May, 2019

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before tax	308.79	230.79
Adjustments for		
Depreciation and amortisation expense	240.38	211.42
Gain on disposal of investment	(4.49)	(1.94)
Interest Income	(13.86)	(8.32)
Dividend income	(2.87)	(5.88)
Finance costs	56.55	48.83
Net exchange differences	0.26	(1.04)
Bad trade and other receivables, loans and advances written off	1.02	0.28
Provision for doubtful trade and other receivables, loans and advances (net)	0.04	(7.33)
Loss on fixed assets sold / scrapped / written off	0.21	0.45
Guarantee Commission Received	-	(0.98)
	586.04	466.28
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase) in trade receivables	(0.90)	(158.85)
(Increase) / Decrease in inventories	(64.06)	(57.98)
Increase / (Decrease) in trade payables	8.65	101.32
(Increase)/Decrease in loans and advances	(37.64)	(18.07)
Increase in provisions and other liabilities	(72.85)	(34.96)
Adjustment for translation difference in working capital	(7.63)	(37.72)
Cash generated from operations	411.57	260.02
Income taxes paid	(129.54)	(33.57)
Net cash inflow from operating activities	282.04	226.45
Cash flows from investing activities		
Purchase of property, plant and equipment	(308.11)	(216.45)
Proceeds from sale of property, plant and equipment	35.08	11.79
Investments in mutual funds (net)	32.76	(148.39)
Balance Held as Margin Money	(15.81)	23.45
Loans (given) / repaid	71.76	17.26
Guarantee Commission Received	-	0.98
Dividend income	1.43	5.88
Interest received	13.86	8.32
Net cash outflow from investing activities	(169.02)	(297.16)
Cash flows from financing activities		
Proceeds from borrowings long term borrowings	52.73	215.18
Repayment of borrowings long term borrowings	(224.54)	(97.07)
Proceeds/(Repayment) on short term borrowings (net)	126.78	8.36
Interest paid	(57.21)	(48.83)
Net cash inflow (outflow) from financing activities	(102.23)	77.63

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2019

Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Net increase (decrease) in cash and cash equivalents	10.79	6.91
Cash and cash equivalents at the beginning of the financial year	65.52	58.61
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	76.32	65.52
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		(₹ in crores)
Balance with banks		
- in current account	76.07	63.51
- in EEFC account	0.06	0.00
Deposits with maturity of less than three months		
Cash on hand	0.19	0.42
Total Cash and cash equivalents	76.32	63.93

Note:

- All figures in bracket are outflow.
- Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The 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 effective from April 1, 2017 and the required disclosure is made below:

	As at 31 March 2018	Cash Flows		As at 31 March 2019
		Proceeds	Repayments	
Long-Term Borrowings (Current and Non Current)	701.52	52.73	224.51	522.09
Short-Term Borrowings	393.31	126.78	-	520.09

Significant accounting policies

1

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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

For and on behalf of the Board of Directors

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

Place : Ahmedabad
Date : 15th May, 2019

Place : Ahmedabad
Date : 15th May, 2019

Consolidated statement of changes in equity

for the year ended 31st March, 2019

A. Equity share capital (₹ in crores)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	16,13,94,272	32.28		
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	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 on 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)	293.34
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	201.87	124.21	4.30	(33.05)	5,075.05
Profit for the year	-	-	210.33		-	-	210.33
Other Comprehensive Income for the year	-	-	(12.44)	29.31	2.66	41.90	61.43
Total Comprehensive Income for the year	-	-	197.89	29.31	2.66	41.90	271.76
Balance as on 31st March, 2019	-	4,777.72	399.75	153.52	6.96	8.85	5,346.81

Significant accounting policies (Note No. 1)

The accompanying notes form an integral part of these Financial Statements.

As per our attached 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 : 15th May, 2019

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

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Harshil R. Dalal
Global CFO

Place : Ahmedabad
Date : 15th May, 2019

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Shrima G. Dave
Company Secretary
ACS 29292

Notes

forming part of the consolidated financial statements

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 financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial consolidated statements except as mentioned below in 2.2.

2.2 The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below :

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" that has become mandatorily applicable for reporting periods beginning on or after April 01, 2018 replacing the existing revenue recognition standard it is detailed in note 2.11. In accordance with the first time adoption options available in the said standard, the Company has chosen the "cumulative effect method" and applied retrospectively only to contracts that are not completed as at the date of initial application (i.e. April 01,2018). Accordingly, the comparatives have not been restated in line with the provisions of the standard. The Company has reviewed significant contracts and based on the results of their analysis, no significant adjustments in the pattern of revenue recognition is required as per IND AS 115. The adoption of the standard did not have any material impact to the opening equity balances as of April 01, 2018 and the financial statements of the Company.

2.3 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.

2.4 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.

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Notes (Contd.)

forming part of the consolidated financial statements

2.7 Property, plant and equipment

Freehold land is carried at historical cost and not depreciated. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-cenvatable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located. Properties in the course of construction are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

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.

2.8 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.

Notes (Contd.)

forming part of the consolidated financial statements

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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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).

Notes (Contd.)

forming part of the consolidated financial statements

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.

2.14 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.

Sales of goods

Revenue from sale of goods is recognised when the control of the goods have been transferred to the buyer, 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 performance obligation in the case of sale of goods is satisfied at a point in time i.e. when the material shift to the customer or on delivery to the customer as may be specified in the contract.

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.

2.15 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.

Notes (Contd.)

forming part of the consolidated financial statements

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.

2.16 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.

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Notes (Contd.)

forming part of the consolidated financial statements

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 are recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments are however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement.

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' so -s' s" w r w-sq z --W r w-sq z -p s-opz

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Notes (Contd.)

forming part of the consolidated financial statements

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.

Notes (Contd.)

forming part of the consolidated financial statements

Particulars	(₹ in crores)										
	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 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											
Opening accumulated depreciation	-	(8.42)	(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	-	-	-	-	-	-	-	-	-	-	-
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	(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
Year ended 31 March 2019											
Gross carrying amount											
Opening 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
Additions during the year	-	0.39	123.15	56.44	3.41	0.69	8.13	0.87	0.51	193.59	22.97
Disposals	(2.32)	-	(6.45)	(29.97)	(0.07)	(0.72)	(0.09)	(0.12)	-	(39.74)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	0.13	4.68	10.35	(0.03)	0.04	0.22	(0.30)	2.86	17.93	1.36
Closing gross carrying amount	157.52	176.33	803.87	1,522.14	46.62	16.04	51.56	58.79	63.01	2,895.87	143.33
Accumulated depreciation and impairment											
Opening accumulated depreciation	(1.46)	(5.98)	(276.36)	(826.92)	(29.27)	(9.13)	(28.01)	(17.79)	(25.84)	(1,220.77)	-
Depreciation charge during the year	-	(2.80)	(31.44)	(74.23)	(2.97)	(2.16)	(3.11)	(4.97)	(17.51)	(139.19)	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	4.83	4.57	0.04	0.53	0.05	0.03	-	10.04	-
Exchange Difference	(0.72)	-	(2.75)	(7.01)	(0.32)	(0.03)	(0.34)	0.07	(1.82)	(12.93)	-
Closing accumulated depreciation and impairment	(2.18)	(8.78)	(305.73)	(903.59)	(32.52)	(10.78)	(31.41)	(22.66)	(45.17)	(1,362.84)	-
Net carrying amount Year Ended 31 March 2019	155.34	167.55	498.14	618.55	14.09	5.25	20.15	36.13	17.84	1,533.03	143.33

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 27 for disclosure of Contractual Obligation for the acquisition of Property, plant & Equipment
- (iii) Plant and machinery held under finance lease

Notes (Contd.)

forming part of the consolidated financial statements

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
Cost	95.73	79.56
Accumulated depreciation	30.86	19.70
Net carrying amount	64.87	59.86

The lease term in respect of assets acquired under finance leases generally expire within 3 to 6 years. Under the terms of the leases, group has the option to purchase the leases asset at the end of the term below their fair value. Leased assets are pledged as security for the related finance lease liabilities.

Note 3: Investment properties

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
Gross carrying amount		
Opening gross carrying amount	6.74	6.27
Additions	-	-
Translation reserve	0.23	0.47
Closing gross carrying amount	6.97	6.74
Accumulated depreciation		
Opening	(1.57)	(1.64)
Depreciation charged during the year	(0.23)	(0.21)
Translation reserve	0.03	0.28
Closing accumulated depreciation	(1.77)	(1.57)
Net carrying amount	5.20	5.17

(i) Amounts recognised in statement of profit and loss for investment properties

	(₹ in crores)	
Rental income	0.25	0.41
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Less: Depreciation	(0.23)	(0.21)
Profit from investment properties	0.02	0.20

(ii) Fair value

	(₹ in crores)	
Investment properties	8.66	8.96

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.

Notes (Contd.)

forming part of the consolidated financial statements

Note 4: Intangible assets

(₹ in crores)

Particulars	Computer software	Copyrights, patents & other Intellectual property rights, services and operating rights	Brands / Trademarks	Total	Goodwill	Goodwill on consolidation	Total
Year ended 31 March 2018							
Gross carrying amount	-	-	-	-	-	-	-
Opening gross carrying amount	32.21	59.17	20.04	111.42	1,326.86	2,327.29	3,654.15
Additions	-	9.45	-	9.45	-	-	-
Disposals	-	(48.40)	-	(48.40)	-	-	-
Translation adjustments	1.89	1.45	0.86	4.20	-	166.28	166.28
Closing gross carrying amount	34.10	21.66	20.90	76.67	1,326.86	2,493.57	3,820.43
Accumulated amortisation and impairment							
Opening accumulated amortisation	(22.67)	(31.64)	(8.36)	(62.67)	(199.02)	-	(199.02)
Amortisation charge for the year	(3.99)	(0.43)	-	(4.42)	(88.46)	-	(88.46)
Amortisation on Disposals	-	17.08	-	17.08	-	-	-
Impairment charge	-	-	-	-	-	-	-
Translation adjustments	(0.69)	(1.20)	(0.36)	(2.25)	-	-	-
Closing accumulated amortisation	(27.35)	(16.18)	(8.72)	(52.25)	(287.48)	-	(287.48)
Closing net carrying amount	6.75	5.48	12.18	24.42	1,039.38	2,493.57	3,532.95
Year ended 31 March 2019							
Gross carrying amount	-	-	-	-	-	-	-
Opening gross carrying amount	34.10	21.66	20.90	76.67	1,326.86	2,493.57	3,820.43
Additions	-	83.81	0.70	84.51	-	-	-
Disposals	-	(0.89)	-	(0.89)	-	-	-
Translation adjustments	-	-	(5.50)	(5.50)	-	25.80	25.80
Closing gross carrying amount	34.10	104.58	16.10	154.79	1,326.86	2,519.37	3,846.23
Accumulated amortisation and impairment							
Opening accumulated amortisation	(27.35)	(16.18)	(8.72)	(52.25)	(287.48)	-	(287.48)
Amortisation charge for the year	(0.38)	(11.37)	(0.74)	(12.50)	(88.46)	-	(88.46)
Amortisation on Disposals	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-	-
Translation adjustments	-	-	(0.99)	(0.99)	-	-	-
Closing accumulated amortisation	(27.73)	(27.56)	(10.45)	(65.74)	(375.94)	-	(375.94)
Closing net carrying amount	6.37	77.03	5.65	89.05	950.92	2,519.37	3,470.29

Goodwill

The goodwill at each CGU level is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using the net present value of the projected post-tax cashflows for next 5 years and the Terminal Value at the end of the 5 years (after considering the relevant long-term growth rate).

Goodwill acquired through business combinations has been allocated to their underlying geographical classification:

(₹ in crores)

Particulars	As at	As at
	31 March 2019	31 March 2018
CGUs (Goodwill)		
India	950.92	1,039.38
Switzerland	2,221.89	2,178.32
UK, Netherland & Europe	190.51	208.27
China	83.43	84.03
Rest of the World	23.54	22.95
	3,470.29	3,532.95

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Key assumptions used in the value in use calculations

The Cash flow projections includes specific estimates for 5 years developed using expected margins, internal forecast and a terminal growth rate thereafter of 5%. The value assigned to the assumption reflects past experience and are consistent with the management's plan for focusing operation in these locations. The management believe that the planned market share growth per year for next 5 years is reasonably achievable.

Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. Post-tax discount rate used was 10.9% for the year ended March 31, 2019.

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 2019.

Note 5: Financial assets

5(a) (i) Non-current investments

Particulars	% of holding	(₹ in crores)	
		As at 31 March 2019	As at 31 March 2018
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, 2019: 2,100 (March 31, 2018 : 2100) equity shares of Face value of ₹ 10/- each fully paid up)		0.02	0.02
(ii) Other investment which are carried at Fair value through statement of profit and loss			
(a) HDFC Housing Opportunities Fund (March 31, 2019 : 50,00,000 (March 31, 2018: 50,00,000) units of Face value of ₹ 10/- each)		4.77	4.79
(b) HDFC Perpetual Bond (March 31, 2019 : 250 (March 31, 2018 : 250) bonds of Face value of ₹ 10,00,000/- each)		29.62	26.98
(c) ZEE Entertainment Enterprise Ltd - Preference shares (March 31, 2019 : 4,00,00,000 (March 31, 2018: 4,00,00,000) preference shares of ₹ 6/- each out of which ₹ 4/- per share is classified as non- current investment and ₹ 2/- per share is classified as current investment)		14.69	24.22
(d) IRB INVIT FUND (March 31, 2019 : 5,80,000 (March 31, 2018 : Nil) bonds of Face value of ₹ 100/- each)		3.87	-
(e) State Bank of India Perpetual Bond (March 31, 2019 : 50 (March 31, 2018 : Nil) bonds of Face value of ₹ 10,00,000/- each)		4.89	-
(f) Bank of Baroda Perpetual Bond (March 31, 2019 : 100 (March 31, 2018 : Nil) bonds of Face value of ₹ 10,00,000/- each)		9.62	-
(g) J M Financials Credit Solut (March 31, 2019 : 2,50,000 (March 31, 2018 : Nil) NCDs of Face value of ₹ 1,000/- each)		25.38	-
(h) ICICI Bank Ltd. (March 31, 2019 : 50 (March 31, 2018 : Nil) bonds of Face value of ₹ 10,00,000/- each)		5.03	-

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Particulars	% of holding	(₹ in crores)	
		As at 31 March 2019	As at 31 March 2018
B) Unquoted			
(i) Investment in other entities which are carried at Fair value through Other Comprehensive Income			
(a) CAD Middle East Pharmaceuticals Ind LLC (March 31, 2019 : 21,900 (March 31, 2018: 21,900) equity shares of Face value of SAR 1,000/- each fully paid up)	10.95	49.50	45.41
(b) Nami Trading Co-FZE LLC (March 31, 2019 : 15 (March 31, 2018: 15) equity shares of Face value of AED 1,000/- each fully paid up)	-	0.02	0.02
(c) Stuti(Ambawadi) Owners' Association (March 31, 2019 : 30 (March 31, 2018: 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, 2019 : 50 (March 31, 2018: 50) equity shares of Face value of ₹ 50/- each fully paid up)	-	0.00	0.00
Total (equity instruments)		147.41	101.43
Total non-current investments		147.41	101.43
Aggregate amount of quoted investments and market value thereof		97.89	56.00
Aggregate amount of unquoted investments- book value/ market value		49.52	45.43
Aggregate amount of impairment in the value of investments		-	-

1. Equity Shares designated as at Fair value through other comprehensive income:

At 1st April, 2016 the group 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.

Particulars	As at	
	31 March 2019	31 March 2018
1. CAD Middle East Pharmaceuticals Ind LLC	49.50	45.41
2. Nami Trading Co-FZE LLC	0.02	0.02
3. Bank of India	0.02	0.02

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5(a) (ii) Current investments		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Investment in equity instruments (fully paid-up)			
A. Quoted			
(i) Other investment which are carried at Fair value through statement of profit and loss			
(a) SBI Arbitrage Opportunity Fund (March 31, 2019 : Nil (March 31, 2018: 75,66,152) units of NAV of ₹ 13.30/- each)	-	10.09	
(b) ZEE Entertainment Enterprise Ltd - Preference Shares (March 31, 2019 : 4,00,00,000 (March 31, 2018: 4,00,00,000) preference shares of ₹ 6/- each out of which ₹ 4/- per share is classified as non-current investment and ₹ 2/- per share is classified as current investment)	7.35	9.20	
(c) Vedanta Ltd. - Preference Share (March 31, 2019 : Nil (March 31, 2018 : 2,50,00,000) preference shares of Face value of ₹ 10/- each fully paid up)	-	25.39	
(d) JM Financial Asset Reconstruction Company Ltd. - Commercial papers (March 31, 2019 : Nil (March 31, 2018: 25,00,000) commercial papers of Face value of ₹ 100/- each)	-	23.46	
(e) Baroda Dynamic Equity Fund (March 31, 2019 : 10,00,000 (March 31, 2018 : Nil) units of Face value of ₹ 10/- each)	1.06	-	
(f) Baroda Banking And Financial Services Fund (March 31, 2019 : 2,25,729 (March 31, 2018 : Nil) units of Face value of ₹ 22.15/- each)	0.53	-	
(g) Baroda Mid Cap Fund (March 31, 2019 : 5,18,662 (March 31, 2018 : Nil) units of Face value of ₹ 9.64/- each)	0.47	-	
B. Unquoted			
(ii) Other investment which are carried at amortised cost			
Home Credit India Finance Pvt. Ltd. - NCDs (March 31, 2019 : 100 (March 31, 2018 : Nil) NCD of Face value of ₹ 10,00,000/- each)	10.32	-	
C. Others			
Fixed Deposit with Dewan Housing Finance Ltd.	-	26.21	
Total current investments	19.72	94.35	
Aggregate amount of quoted investments and market value thereof	9.40	68.14	
Aggregate amount of unquoted investments	10.32	26.21	
Aggregate amount of impairment in the value of investments	-	-	

5(b) Trade receivables		(' in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Unsecured, Considered good	453.90	452.52	
Less: Allowances as per expected credit loss model	(8.60)	(8.12)	
	445.30	444.40	
Unsecured, Considered doubtful	3.31	3.40	
Less: Allowances as per expected credit loss model	(3.31)	(3.40)	
Total receivables	445.30	444.40	
Current portion	445.30	444.40	
Non-current portion	-	-	

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person
- Trade receivable due from private companies in which any director is a partner, director or a member is ₹ 44.69 crores (As at March 31, 2018 : ₹ 2.58 crores).
- Trade receivables are non-interest bearing and are generally on credit terms in the range of 30 to 120 days.
- The company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in Note 35.
- For receivables secured against borrowings see Note 12.

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5 (c) Loans

Particulars	(₹ in crores)			
	As at 31 March 2019		As at 31 March 2018	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Loan to related parties (refer Note 30)	-	37.64	41.73	38.06
Loan to employees	2.01	-	2.34	-
Other Loans	2.16	-	31.44	-
Total loans	4.17	37.64	75.51	38.06

Note: Of the above, loan amounting to ₹ 37.64 crores (P.Y. ₹ 79.79 crores) is given to the Companies in which Company's Director is also a director.

5 (d) (i) Cash and cash equivalents

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- in current accounts	76.07	63.51
- in EEFC accounts	0.06	0.00
Deposits with maturity of less than three months	-	1.59
Cash on hand	0.19	0.42
Total cash and cash equivalents	76.32	65.52

5 (d) (ii) Bank Balances Other than Cash and cash equivalents

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
(a) Earmarked balances with banks for:		
(i) Unpaid Dividend	0.13	0.13
(ii) Balances held as margin money or security against borrowings, guarantees and other commitments	11.46	3.41
(b) In other deposit account	7.75	-
	19.35	3.54

5 (e) Other financial assets

Particulars	(₹ in crores)			
	As at 31 March 2019		As at 31 March 2018	
	Current	Non- current	Current	Non- current
Unsecured, considered good unless otherwise stated				
(a) Fixed deposits having maturity of more than one year	-	0.21	-	2.25
(b) Insurance claims	18.82	-	-	-
(c) Interest / Dividend Receivable *	29.33	-	18.12	-
(d) Guarantee Commission Receivable	-	-	6.10	-
(e) Security Deposits	0.21	2.30	-	-
(f) Receivable towards hedge instruments	43.98	-	-	-
(g) Others	0.82	-	0.21	2.36
Total other financial assets	93.16	2.51	24.43	4.61

(* Out of the ₹ 29.33 crores, interest receivable from related party ₹ 20.50 crores.)

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Note 6 (a) : Deferred tax assets		(₹ in crores)	
The balance comprises temporary differences attributable to:			
	As at 31 March 2019	As at 31 March 2018	
Deferred tax asset on account of:			
Unabsorbed losses	9.16	10.58	
Provision for post retirement benefits	41.28	0.65	
Inventory	-	0.28	
Others	0.22	0.00	
	50.66	11.51	
Deferred tax liability on account of:			
Depreciation	(25.06)	(4.04)	
Inventory	(17.65)	-	
	(42.71)	(4.04)	
Net deferred tax assets/(Liabilities)*	7.95	7.47	
*Represent aggregate for entities having net deferred tax assets			
Note 6 (b) : Deferred tax Liabilities		(₹ in crores)	
The balance comprises temporary differences attributable to:			
	As at 31 March 2019	As at 31 March 2018	
Deferred tax asset on account of:			
Unabsorbed losses	134.97	145.51	
Provision for post retirement benefits	3.88	30.37	
Loans	4.41	2.44	
Others	0.16	0.63	
	143.42	178.95	
Minimum alternate tax (MAT) credit Entitlement	46.69	31.57	
	190.11	210.52	
Deferred tax liability on account of:			
Depreciation	(319.02)	(315.27)	
Inventory	-	(22.86)	
DTL on MTM	(6.69)	(2.64)	
Others	(4.74)	(1.84)	
	(330.45)	(342.62)	
Net deferred tax assets/(Liabilities)*	(140.35)	(132.11)	
*Represent aggregate for entities having net deferred tax liabilities			

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Note 6 (c) Movements in deferred tax assets/liabilities

(₹ in crores)

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Directly debited in Reserve and Surplus	Translation Adjustments	As at March 31, 2019		
						Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)								
Unabsorbed losses	156.09	(27.21)	-	-	0.01	128.89	128.89	-
Provision for post retirement benefits	31.02	2.99	1.59	-	0.02	35.61	35.61	-
Depreciation	(319.87)	0.08	-	-	0.01	(319.78)	-	(319.78)
Inventory	(22.58)	-	-	-	0.01	(22.57)	-	(22.57)
Loans	2.44	-	-	-	-	2.44	2.44	-
Investments	(1.28)	0.34	-	-	-	(0.94)	-	(0.94)
DTL on Mark to Market	(2.64)	(4.05)	-	-	-	(6.69)	-	(6.69)
Others	0.63	3.33	-	-	0.01	3.97	3.97	-
Deferred tax assets (Liabilities)	(156.20)	(24.52)	1.59	-	0.06	(179.07)	170.91	(349.98)
Minimum Alternate Tax (MAT) credit entitlement	31.57	15.12	-	-	-	46.69	46.69	-
Net Deferred tax assets/(Liabilities)	(124.64)	(9.40)	1.59	-	0.06	(132.39)	217.60	(349.98)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	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)	190.17	(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)

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, 2019 amounts to ₹ 46.69 crores (As at 31st March, 2018: ₹ 31.57 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.

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Note 7: Other non-current assets		(₹ in crores)	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Unsecured considered good, unless otherwise stated			
(a) Capital advances			
Considered Good	166.09	159.03	
Considered Doubtful	3.10	3.10	
	<u>169.19</u>	<u>162.14</u>	
Less: Provision for doubtful advances	3.10	3.10	
	<u>166.09</u>	<u>159.03</u>	
(b) Prepaid expenses	1.11	0.90	
(c) Balances with government authorities	40.97	16.04	
Total other non-current assets	<u>208.16</u>	<u>175.97</u>	
Note 8 : Inventories (At lower of cost and Net realisable value)		(₹ in crores)	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
(a) Raw materials	173.75	81.60	
(b) Work-in-progress	218.12	272.05	
(c) Finished goods	151.59	123.43	
(d) Stores and spares	5.16	7.48	
Total inventories	<u>548.62</u>	<u>484.56</u>	
Note: For Inventories pledged as securities against borrowings, see Note 12			
Note 9 : Current tax assets (Net)		(₹ in crores)	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Current tax assets			
Advance income tax (Net of provisions)	98.40	86.21	
	<u>98.40</u>	<u>86.21</u>	
Current tax Liabilities			
Provision for current tax (Net of advance tax)	33.98	60.60	
	<u>33.98</u>	<u>60.60</u>	

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Note 10: Other current assets		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Unsecured considered good, unless otherwise stated			
(a) Advances other than Capital advances			
(i) Prepaid Expenses	42.14	56.08	
(ii) Advances & recoverables			
Considered Good	251.57	259.92	
Considered Doubtful	0.15	0.15	
	<u>251.72</u>	<u>260.07</u>	
Less: Provision for other doubtful loans and advances	(0.15)	(0.15)	
	<u>251.57</u>	<u>259.92</u>	
(b) Balances with government authorities	53.22	37.84	
Total other current assets	346.94	353.84	

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 31st March, 2017	17,02,50,000	34.05
Addition during the year	-	-
As at 31st March 2018	17,02,50,000	34.05
Addition during the year	-	-
As at 31st March 2019	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 31st March, 2017	-	-	-
Issued during the year	16,13,94,272	2.00	32.28
As at 31st March, 2018	16,13,94,272	2.00	32.28
Issued during the year	-	-	-
As at 31st March, 2019	16,13,94,272	2.00	32.28

(ii) Shares of the company held by holding/ultimate holding company

Particulars	As at 31 March 2019	As at 31 March 2018
Bhadra Raj Holdings Pvt. Ltd.	-	9,90,91,898
Adimans Technologies LLP	9,90,91,898	-

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(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Bhadra Raj Holdings Pvt. Ltd.	-	-	9,90,91,898	61.40%
Adimans Technologies LLP	9,90,91,898	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) 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.

(vi) The Board of Directors has recommended payment of dividend of ₹ 0.20/- per equity share of ₹ 2/- each of share capital of ₹ 32,27,88,544/- (@10%) for the Financial Year 2018-19, subject to approval of members in the ensuing Annual General Meeting.

11(b) Other Equity

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
(a) Securities Premium Reserve	4,777.72	4,777.72
(b) Surplus in Statement of Profit and Loss	399.75	201.87
(c) Other Comprehensive Income		
- Equity instruments through OCI	6.96	4.30
- Cash flow hedge reserves	8.85	(33.05)
- Foreign currency translation reserve	153.53	124.21
Total reserves and surplus	5,346.81	5,075.05

Movement in Reserves

(i) Retained earnings

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	201.87	47.16
Add: Net profit for the year	210.33	154.57
Add: Remeasurements of the defined benefit plans	(12.44)	0.13
Closing balance	399.75	201.87

Retained earnings represents surplus/ accumulated earnings of the Company and are available for distribution to shareholders.

(ii) 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.

(iii) Cash flow hedge reserve

The Company has designated its hedging instruments as cash flow hedges and any gain / loss on cash flow hedge is maintained in the said reserve. At the time of settlement of instrument, the gain / loss is recognised in the Statement of Profit and Loss.

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Note 12: Financial liabilities

12 (a) (i) Non-current borrowings

Particulars	Note	₹ in crores	
		As at 31 March 2019	As at 31 March 2018
Secured			
Term loans			
From banks	(a)	277.20	351.37
Long-term maturities of Hire purchase obligations	(b)	0.14	0.38
Obligations under finance leases	(b)	33.20	34.41
Unsecured			
Term loans			
From Banks		51.87	138.81
Total non-current borrowings		362.41	524.97

Note:

(a) (i) Term loans

Name of the bank	Terms of repayment and security	₹ in crores	
		As at 31 March, 2019	As at 31 March, 2018
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.	22.63	38.23
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 May, 2019 and ending February, 2024.	22.96	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.	0.00	1.10
State bank of India	The term loan 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, SIP 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.	6.28	44.44
HDFC Bank Ltd.	The term loan is secured by charge on Dishman Corporate House property, Ambli Road, Opp. Annapurna Farm House, Satellite Area, Ahmedabad. Repayable in 17 equal quarterly installments starting from Apr 2018 ending on March 2022.	31.24	45.12

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Name of the bank	Terms of repayment and security	₹ in crores	
		As at 31 March, 2019	As at 31 March, 2018
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.	119.49	137.95
Credit Suisse AG	Loan is secured by Building No 167, Repayment 0.02 Mn CHF p.a. and repayable in 2019.	3.86	4.07
Credit Suisse AG	Loan is secured by Building No 145, Repayment 0.34 Mn CHF p.a. and repayable in 2019.	54.07	19.48
Credit Suisse AG	Loan is secured by Inventory, Debtors of Carbogen Amcis AG, repayment in Annual installment and repayable in 2019.	-	24.88
ABN AMRO Bank N.V.	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Property, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV. The Term loan is repayable in equal monthly installments of EURO 0.02 million and ending on February, 2029.	16.68	24.17
Total non-current secured borrowings		277.20	351.37
Bank of Baroda	The term loan is unsecured and repayable in equal quarterly installments of USD 1.25 million and ending on September, 2021.	51.87	81.46
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
Total non-current unsecured borrowings		51.87	138.81

* Creation of security is pending.

(b) Long-term maturities of Hire purchase obligations

Name of the bank	Terms of repayment and security	₹ in crores	
		As at 31 March, 2019	As at 31 March, 2018
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	-	0.05
Corporation Bank	Hire Purchase Finances are secured by hypothecation of respective assets	0.14	0.33
Credit Suisse AG	Finance Lease secured by hypothecation of respective assets	29.30	31.49
CIC Bail	Finance Lease secured by hypothecation of respective assets	1.86	-
Lombard	Finance Lease secured by hypothecation of respective assets	2.04	2.92
Total of Long-term maturities of Hire purchase obligations		33.34	34.79

Note :

- The interest from banks range from LIBOR+0.95% (in foreign currency Term loans) To MCLR+2.70 % (in rupee currency loans).
- For current maturities of long term borrowings, refer Note -12 (c).

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12(b)(ii) Current borrowings		(₹ in crores)	
Particulars	Note	As at 31 March 2019	As at 31 March 2018
Secured			
Loans repayable on demand			
From banks	(a)	466.76	377.25
Unsecured			
Loan from banks- Foreign Currency		53.34	16.06
Total Current borrowings		520.09	393.31

Note:

(a) Details of current borrowings

		(₹ in crores)	
Name of the bank	Terms of repayment and security	As at 31 March, 2019	As at 31 March, 2018
Corporation Bank	Hypothecation of Inventories, collateral security of book debts,	30.01	26.46
Bank of Baroda	first charge on Company's fixed asset at Naroda DTA plant	54.06	70.23
State Bank of India	located at Plot No. 1216/12, 1216/20 to 23, Phase IV, and Plot	53.89	61.43
Doha Bank	No. 67, Phase I ,GIDC Estate, Naroda , Ahmedabad unit and	40.24	42.69
IDFC Bank *	second charge on fixed asset at Bavla.	23.18	25.00
Societe Generale bank	First Charge on Company's fixed asset at Naroda EOU plant	29.15	15.10
	situated at Plot No. 1216/24 to 1216/27 and 1216/11, Phase IV,		
	GIDC Estate, Naroda, Ahmedabad.		
ABN AMRO Bank	Mortgage of all land and buildings and investment properties,	37.89	41.06
	pledge on all inventories, pledge on trade receivables, pledge		
	on plant and equipments of CARBOGEN AMCIS BV.		
Bank of Baroda - New York	Loan is secured by first charge on entire current assets , existing	1.74	6.19
	and future including stock, finished goods, products, account		
	receivables, cash and bank balances and equipment and		
	furniture of Dishman USA Inc.		
ICBC Bank, China	Hypothecation of Inventories, Collateral security of book debts,	20.59	20.73
	first charge on Company's fixed asset at CARBOGEN AMCIS		
	(Shanghai) Co. Ltd.		
Credit sussie Bank	Hypothecation of Inventories, collateral security of book debts,	176.01	68.36
	Negative Pledge of fixed assets of CARBOGEN AMCIS AG.		
Deutsche Bank	Unsecured	-	16.06
Abudhabi Commercial Bank	Unsecured	42.27	-
HDFC Bank -	Unsecured	11.06	-
Total Current borrowings		520.09	393.30

* 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 respective consents for release of this property and hence guarantee of the director.

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12 (c) Trade payables		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Current			
Trade payables (Refer note No. 25)	194.21	185.83	
Trade payables to related parties (Refer note No. 30)	0.36	0.09	
Total trade payables	194.57	185.92	

Note:

- All trade payables are current
- The company's exposure to currency and liquidity risks related to trade payable is disclosed in Note 35.

12 (d) Other financial liabilities		(₹ in crores)	
Particulars	As at 31 March 2019	As at 31 March 2018	
Current			
(i) Current maturities of long-term debt	138.99	158.50	
(ii) Current maturities of finance-lease obligations	20.68	18.04	
(iii) Interest accrued but not due on borrowings	0.68	1.33	
(iv) Unpaid dividends	0.13	0.13	
(v) Payable towards hedge instruments	-	22.00	
(vi) Others	103.07	87.04	
Total other current financial liabilities	263.56	287.04	

Note 13: Provisions		(₹ in crores)				
Particulars	As at 31 March 2019			As at 31 March 2018		
	Current	Non- current	Total	Current	Non- current	Total
(a) Provision for Employee Benefits:						
(i) Compensated absences (Refer Note No. 32)	3.11	0.71	3.82	0.53	2.54	3.07
(ii) Gratuity (net) (Refer Note No. 32)	1.12	7.32	8.44	1.30	6.73	8.03
(iii) Pension (Refer Note No. 32)	-	214.04	214.04	-	196.62	196.62
(b) Other Provisions:						
(i) Asset Retirement Obligation	1.75	24.55	26.30	5.85	28.45	34.30
(ii) Provision for onerous Contract	11.70	-	11.70	11.91	-	11.91
(iii) Environmental Provision	1.63	1.69	3.32	2.42	-	2.42
Total Provisions	19.31	248.31	267.62	22.01	234.34	256.35

Information about provisions

(a) Asset Retirement Obligation

A provision has been recognised for decommissioning costs obligation as per lease agreement for factory located at Switzerland. The provision has been made to include the present value of expected future decommissioning cost of the site in total.

(b) Provision for onerous Contract

In Switzerland, a provision has been recognised where cost to fulfil the terms of project contracts are higher than financials and economic benefits to be received. The provision is measured at best estimate of expenditure required to settle the present obligation.

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(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 2018-19, are set out below: (₹ in crores)

Particulars	Asset Retirement Obligation	Onerous Contract	Environmental Provision	Total
As at 1st April, 2018	34.30	11.91	2.41	48.62
Charged/(credited) to profit or loss				
Additional provisions recognised	-	10.98	0.99	11.97
Unused amounts reversed	5.58	(11.34)	-	(5.76)
Unwinding of discount	(12.89)	-	-	(12.89)
Amounts used during the year	-	-	-	-
Translation Adjustments	(0.69)	0.15	(0.08)	(0.62)
As at 31st March, 2019	26.30	11.70	3.32	41.32

Note 14: Other current liabilities

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Statutory tax payables	9.47	3.67
(b) Advances from customers	156.02	190.54
(c) EMD and Retention money	0.28	2.07
(d) Other payables	1.02	32.55
Total other current liabilities	166.79	228.83

Note 15 : Revenue from Operations

The entity derives the following types of revenue:

(₹ in crores)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Sale of products (including excise duty) (Refer Note (i))	1,244.54	1,061.14
(b) Sale of services (Refer Note (ii))	675.39	591.56
(c) Other operating revenue (Refer Note (iii))	138.66	42.08
Total revenue from operations	2,058.60	1,694.78

Note:

(i) Sale of products comprises :

Sale of manufactured goods	1,244.54	1,049.93
Sale of traded goods	-	11.21
Total - Sale of products	1,244.54	1,061.14

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Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(ii) Sale of services comprises :		
Export Services	675.39	591.56
Total - Sale of services	675.39	591.56
(iii) Other operating revenues comprise:		
Sale of scrap	0.29	0.01
Duty Drawback income	14.85	12.53
Forex Gain on forward contracts against sales	111.32	18.50
Sales of Raw Material	12.01	9.00
Others	0.19	2.04
Total - Other operating revenues	138.66	42.08

Note 16: Other income

(₹ in crores)

Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Interest income (Refer Note (i))	13.86	8.32
(b) Guarantee Commission Received	-	0.98
(c) Dividend income from Long term Investments	2.87	5.88
(d) Net gain on Long Term Investments	4.49	1.94
(e) Income from Travel Business	0.48	0.37
(f) Other Income	26.48	28.20
(g) Financial Expenses ARO	5.64	-
Total other income	53.82	45.69

Note (i) : Interest income comprises:

Interest on loans and advances given to related parties	7.76	5.07
Interest on loans and advances given to others	6.10	1.48
Other interest	0.00	1.77
Total - Interest income	13.86	8.32

Note 17 : Cost of materials Consumed

(₹ in crores)

Particulars	(₹ in crores)	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Raw materials at the beginning of the year	81.60	90.78
Add: Purchases	470.16	381.80
	551.76	472.58
Less: Raw material at the end of the year	(173.75)	(81.60)
Total cost of materials consumed	378.01	390.98

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Note 18 : Changes in inventories of work-in-progress, stock-in-trade and finished goods (₹ in crores)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Inventories at the beginning of the year		
Work-in progress	272.05	193.64
Finished goods	123.43	136.58
Total opening balance	395.48	330.22
Inventories at the end of the year		
Work-in progress	218.12	272.05
Finished goods	151.59	123.43
Total closing balance	369.71	395.48
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	25.77	(65.26)

Note 19: Employee benefit expense (₹ in crores)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Salaries and wages	652.25	556.90
(b) Contributions to provident and other funds	44.59	39.56
(c) Staff welfare expenses	17.81	28.94
Total employee benefit expense	714.64	625.40

Note 20: Finance costs (₹ in crores)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(a) Interest on debts and borrowings	47.62	42.56
(b) Other Borrowing Cost	1.13	6.27
(c) Forex loss considered as finance cost	7.80	-
Total Finance costs	56.55	48.83

Note 21: Depreciation and amortisation expense (₹ in crores)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Depreciation of property, plant and equipment	139.42	118.54
Amortisation of intangible assets and Goodwill	100.96	92.88
Total depreciation and amortisation expense	240.38	211.42

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Note 22: Other expenses		(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018	
Consumption of stores and spare parts	1.09	0.35	
Other Manufacturing Expenses	14.65	14.77	
Power and fuel	56.14	48.33	
Laboratory Expenses	6.23	2.40	
ETP Expenses	5.80	3.18	
Rent including lease rentals (Refer Note 27(b))	52.39	51.09	
Repairs and maintenance - Buildings	19.48	12.29	
Repairs and maintenance - Machinery	57.38	38.34	
Repairs and maintenance - Others	10.06	12.36	
Insurance	10.70	10.97	
Telephone and Communication	7.41	7.57	
Travelling and conveyance	22.16	8.76	
Printing and stationery	3.75	1.18	
Freight and forwarding	15.76	17.29	
Sales commission	0.37	1.15	
Sales promotion	4.77	0.12	
Donations and contributions	3.22	1.73	
Legal and professional	54.37	30.69	
Bad trade and other receivables, loans and advances written off	1.02	0.28	
Membership & Subscription	2.57	1.89	
Office Electricity	0.65	0.34	
Recruitment Expenses	4.45	-	
Loss on fixed assets sold / scrapped / written off	0.21	0.45	
Provision for doubtful trade and other receivables, loans and advances (net)	0.04	(7.33)	
Foreign exchange loss	22.89	16.76	
Miscellaneous expenses	10.72	12.18	
Total other expenses	388.28	287.11	

Note 23: Income tax expense		(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018	
(a) Income tax expense			
<i>Current tax</i>			
Current tax on profits for the year	89.06	48.72	
Adjustments for current tax of prior periods	-	-	
Total current tax expense	89.06	48.72	
Deferred tax			
Increase in deferred tax liabilities	24.52	29.37	
MAT credit entitlement	(15.12)	(1.87)	
Total deferred tax expense/(benefit)	9.40	27.50	
Income tax expense	98.46	76.22	

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(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in crores)

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
Profit before income tax expense	308.79	230.79
Enacted income tax rate in India applicable to the Company 34.944% (PY 34.608%)	107.90	79.87
Tax effect of:		
Permanent Disallowances	(2.44)	(3.02)
Tax effect of Remeasurement of the defined benefit plans	2.78	-
Foreign tax credit	1.89	7.52
Deferred tax assets not created on unabsorbed losses	(5.08)	-
Difference due to differential Tax rates	(12.98)	(9.04)
Foreign tax credit reversal of previous year	-	(1.87)
Adjustment prior year tax	11.05	6.24
Others	(4.66)	(3.47)
Income tax expense	98.46	76.23
Weighted average tax rate for the year	31.88%	33.03%

(c) Amounts recognised in Other Comprehensive Income

Particulars	For the Year Ended 31st March, 2019			For the Year Ended 31st March, 2018		
	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	(15.46)	3.02	(12.44)	0.25	(0.09)	0.16
Equity instruments through Other Comprehensive income- net change in fair value	4.09	(1.43)	2.66	5.83	(2.04)	3.80
Items that will be reclassified to profit or loss						
Foreign exchange fluctuation in respect of cash flow hedge	41.90	-	41.90	(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.

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Note 24: Earnings per share		(₹ in crores)	
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018	
(a) Basic earnings per share			
From continuing operations attributable to the equity holders of the Company	13.03	9.58	
(b) Diluted earnings per share			
From continuing operations attributable to the equity holders of the Company	13.03	9.58	
(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	210.33	154.57	
Diluted earnings per share			
Profit from continuing operations attributable to the equity holders of the Company:			
Used in calculating basic earnings per share	210.33	154.57	
Adjustments	-	-	
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	210.33	154.57	
(d) Weighted average number of shares used as the denominator			
Particulars	31 March 2019 Number of shares	31 March 2018 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 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 25: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :		(₹ in crores)	
Particulars	2018-19	2017-18	
a) Principal amount due to suppliers under MSMED Act, 2006	6.34	2.88	
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.07	0.24	
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	22.80	7.75	
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	0.45	
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.52	0.45	

Note: The above information is given to the extent available with the Company and relied upon by the auditor.

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Note 26: Contingent liabilities and contingent assets

(₹ in crores)

Particulars	As at	As at
	31 March 2019	31 March 2018
a) Labour Law claims against the Company not acknowledged as debt	0.12	0.11
b) Outstanding guarantees furnished to the bank in respect of former subsidiaries and a joint venture company	10.38	57.92
c) Disputed central excise duty (including service tax) liability	3.97	3.48
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 ₹ 55.76 crores under protest*	336.15	175.25
e) Disputed sales tax and central sales tax liability	4.34	4.34

*The Income -Tax Assessments of the Company have been completed up to Assessment Year 2015-16. The total contingent liabilities is ₹ 336.15 crore as on March 31, 2019. Based on the management evaluation, advice of tax consultants, on the decisions of the various Appellate authorities and the interpretations of other relevant provisions of the Income tax Act, the management of the company is of the opinion that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. Further, the Commissioner of Income Tax and Hon'ble ITAT has given the judgment/rulings in favour of the Company in certain cases. However, as the Department or the company has contested the judgment/rulings in Hon'ble ITAT or High Court, the amount has been shown as contingent liabilities

Note 27: 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	As at
	31 March 2019	31 March 2018
Property, plant and equipment	222.32	40.75
Intangible assets	1.19	1.78

(b) Non-cancellable operating leases

The total of minimum lease installments payable for assets taken on operating lease:

(₹ in crores)

Particulars	As at	As at
	31 March 2019	31 March 2018
(i) As Lessee		
Future minimum lease payments		-
Within one year	43.80	41.85
Later than one year but not later than five years	172.64	163.71
Later than five years	140.70	94.23
	357.13	299.79

Rental expense relating to operating leases

(₹ in crores)

Particulars	For the year ended	For the year ended
	31st March, 2019	31 March, 2018
Total rental expense relating to operating leases	52.39	51.09

Finance lease in respect of lease hold land.

The Company has entered into finance lease for land. These leases are generally for a period of 99 years. These leases can be extended for further 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases.

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(c) Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire installments payable for vehicle acquired at the Balance sheet date are as under (₹ in crores)

Particulars	As at	
	31 March 2019	31 March 2018
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:		
Within one year	0.25	0.26
Later than one year but not later than five years	0.14	0.38
Later than five years	-	-
	0.39	0.64

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 shall be changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" (DCAL).

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

The amalgamation has been accounted under the "Purchase Method" as per the then prevailing Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the Hon'ble High Court, Gujarat, which is different from Ind AS 103 "Business Combinations". Accordingly the assets and liabilities of DPCL and DCL have been recorded at their fair value as on Appointed Date. The purchase consideration of ₹ 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, 2019 would have been lower by ₹ 88.46 Crore (March 31, 2018 : ₹ 88.46 crores) and Profit before tax for the year ended March 31, 2019 and March 31, 2018 would have been higher by an equivalent amount.

(₹ in crores)

Assets and liabilities taken over by the Company at fair value on appointed date from DPCL

Property, plant and equipment	806.63
Capital work-in-progress	40.95
Other intangible assets	0.70
Investments	2,709.91
Loans and Advances	486.57
Inventories	172.64
Trade receivables	50.87
Cash and cash equivalents	34.59
Amalgamation adjustment account	24.38
	4,327.24

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	(₹ in crores)
Debtore redemption reserve	(24.38)
Borrowings	(500.30)
Trade Payables	(73.19)
Deferred tax liabilities (Net)	(62.84)
Provisions	(6.25)
Other liabilities	(177.14)
Net assets taken over by the Company	3,483.14
Consideration to be discharged by the Company	4,810.00
161,394,272 Shares of the Company of ₹ 2/- each at a premium of ₹ 296.02 per share.	
Goodwill- excess of consideration over net assets taken over by the Company.	1,326.86

The Goodwill is attributable mainly to the Developed technology, Customer relationship, skills and technical talents, and synergies expected to be achieved out of consolidation of business in the form of wider portfolio of products and services with diversified resources and deeper customer relationships. Accordingly Goodwill is amortised over its estimated useful life of 15 years.

The above assets and liabilities have been incorporated in the accounts of the Company as they stand as on April 1, 2016 after making adjustments for IndAS as required in line with the accounting policies, options and exemptions opted by the Company on transition to IndAS.

Note 29: Interests in other entities

(a) Subsidiaries

The group's subsidiaries at 31st March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/ Country of Incorporation	Ownership Interest Held by the Group	Ownership Interest held by Non-Controlling Interests
		31 March 2019	31 March 2019
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%
CARBOGEN AMCIS B.V (formerly known as 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%
Dishman Carbogen Amcis (Japan) Ltd. (formerly known as 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.

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Note 30: 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 Holdings Pvt. Ltd. (upto 30.11.2018)
Holding Company	Adimans Technologies Pvt. Ltd. (from 01.12.2018 to 27.01.2019)
Holding Company	Adimans Technologies LLP (w.e.f. 28.01.2019)
Key Management Personnel (KMP)	Mr. Janmejy 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
Key Management Personnel (KMP) - Global CFO	Mr. Harshil R. Dalal (Appointed w.e.f. 28.11.2018)
Key Management Personnel (KMP) - Company Secretary and Compliance Officer	Ms. Shrima G. Dave
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. *
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	Aamanya AG*
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, 2019 and balances outstanding as at 31st March, 2019:

Particulars	(₹ in crores)				
	Associates / Joint Ventures	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Total
Purchase of goods	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	0.00
Sale of goods / services	-	-	-	42.98	42.98
	(-)	(-)	(-)	(1.23)	(1.23)
Receiving of services	-	0.20	0.08	3.97	4.25
	(-)	(0.02)	(0.08)	(2.52)	(2.61)
Interest income	-	-	-	4.55	4.55
	(-)	(-)	(-)	(4.55)	(4.55)
Remuneration	-	7.70	1.20	-	8.89
	(-)	(7.12)	(1.20)	(-)	(8.32)

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(₹ in crores)					
Particulars	Associates / Joint Ventures	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Total
Sitting fees to Non Executive Directors	-	0.12	-	-	0.12
	(-)	(0.08)	(-)	(-)	(0.08)
Commission to Non Executive Directors	-	0.44	-	-	0.44
	(-)	(0.41)	(-)	(-)	(0.41)
Trade advances received back	-	-	-	34.94	34.94
	(-)	(-)	(-)	(-)	(-)
Trade advances given	-	-	-	17.44	17.44
	(-)	(-)	(-)	(43.13)	(43.13)
Loans and advances given	-	-	-	-	-
	(-)	(15.24)	(-)	(-)	(15.24)
Loans and advances repaid	-	-	-	-	-
	(-)	(15.20)	(-)	(-)	(15.20)
Balances outstanding at the end of the year					
Trade receivables	-	-	-	44.69	44.69
	-	-	-	(2.58)	(2.58)
Trade advances given	-	-	-	42.51	42.51
	-	-	-	(60.01)	(60.01)
Guarantees given by Dishman Infrastructure Ltd. on behalf of the company	-	-	-	40.13	40.13
	-	-	-	(50.95)	(50.95)
Loans and advances given	-	-	-	97.49	97.49
	-	-	-	(94.76)	(94.76)
Trade payables	-	0.16	-	0.20	0.36
	-	(0.02)	(0.07)	(0.00)	(0.09)

Note: Figures in bracket relates to the previous year

(₹ in crores)			
Particulars	Name of the related party	F.Y. 2018-19	F.Y. 2017-18
Purchase of goods	Azafran Innovacion Ltd.	0.06	-
	Dishman Biotech Ltd.	0.14	-
Sale of goods / services	Azafran Innovacion Ltd.	0.01	0.03
	Dishman Biotech Ltd.	1.09	1.19
	Aamanya AG	41.88	-
Receiving of services	Dishman Biotech Ltd.	1.56	-
	Discus IT Pvt. Ltd.	1.87	2.05
	Discus Business Services LLP	0.46	0.45
Interest income	Dishman Infrastructure Ltd.	4.55	4.55

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(₹ in crores)			
Particulars	Name of the related party	F.Y. 2018-19	F.Y. 2017-18
Remuneration does not include post-employment benefits and Other long term benefits.	Mr. Janmejy R.Vyas	2.43	3.60
	Mrs. Deohooti J.Vyas	1.20	1.25
	Mr. Arpit J.Vyas	3.70	2.27
	Mr. Harshil R. Dalal	0.30	-
Sitting fees to Non Executive Directors	Mr. Sanjay S. Majmudar	0.04	0.03
	Mr. Ashok C. Gandhi	0.04	0.03
	Mr. Subir Kumar Das	0.03	0.02
	Mr. Rajendra S. Shah	0.01	0.01
Commission to Non Executive Directors	Mr. Sanjay S. Majmudar	0.15	0.13
	Mr. Ashok C. Gandhi	0.11	0.10
	Mr. Subir Kumar Das	0.10	0.10
	Mr. Rajendra S. Shah	0.08	0.08
Loans and advances given	Mr. Arpit J.Vyas	-	15.24
Loans and advances repaid	Mr. Arpit J.Vyas	-	15.20
Trade advances given	Dishman Biotech Ltd.	17.44	43.13
Trade advances received back	Dishman Biotech Ltd.	34.94	-
Outstanding trade advances given	Dishman Biotech Ltd.	42.51	60.01
Outstanding balance of Loans and advance	Dishman Infrastructure Ltd.	97.49	94.76
Outstanding balance of trade receivable	Aamanya AG	41.88	-

Note 31: 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, 2019 was as follows.

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
Borrowings		
Long term and Short term borrowings	882.50	918.29
Current maturities of Long term borrowings	159.67	176.54
Less: cash and cash equivalents	95.67	69.06
Adjusted net debt	946.51	1,025.77
Total Equity	5,379.09	5,107.33
Adjusted net equity	5,379.09	5,107.33
Adjusted net debt to adjusted equity ratio	0.18	0.20

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In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the group during the current year. The company has current and non-current investments in marketable instruments of ₹ 117.60 crores (P.Y. ₹ 150.33 crores) as on March 31, 2019.

Note 32: Employee benefits in respect of Holding Company

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

Particulars	(₹ in crores)	
	For the year ended 31st March, 2019	For the year ended 31 March, 2018
	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	0.84	0.70
2 Past Service Cost	-	0.97
3 Interest cost	0.56	0.44
Total Expenses	1.40	2.10
II Expenses recognised in OCI		
1 Actuarial changes arising from changes in demographic assumptions	-	-
2 Actuarial changes arising from changes in financial assumptions	(0.03)	(0.24)
3 Actuarial changes arising from changes in experience adjustments	(0.49)	(0.01)
Total Expenses	(0.52)	(0.25)
III Net Asset /(Liability) recognised as at balance sheet date:		
1 Present value of defined benefit obligation	(8.44)	(8.03)
2 Net (Asset) /Liability - Current	(1.13)	(1.30)
Net (Asset) /Liability - Non- Current	(7.31)	(6.73)
IV Reconciliation of Net (Asset) / Liability recognised as at balance sheet date:		
1 Defined benefit obligation at the beginning of the year	8.03	6.63
2 Current Service Cost	0.84	0.70
3 Past Service Cost	-	0.97
4 Interest cost	0.56	0.44
5 Actuarial loss/(gain) due to change in financial assumptions	(0.03)	(0.24)
6 Actuarial loss/(gain) due to change in demographic assumption	-	-
7 Actuarial loss/ (gain) due to experience adjustments	(0.49)	(0.01)
8 Benefit paid	(0.47)	(0.45)
Net (asset) / liability at the end of the year	8.44	8.03

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Particulars	(₹ in crores)	
	For the year ended 31st March, 2019	For the year ended 31 March, 2018
	Gratuity (Non-funded)	Gratuity (Non-funded)
V Maturity profile of defined benefit obligation		
1 Within the next 12 months (next annual reporting period)	1.13	1.30
2 Between 2 and 5 years	3.51	3.10
3 Between 6 and 10 years	3.81	3.56
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	(0.28)	(0.26)
(ii) 0.5% decrease in discount rate	0.29	0.27
(iii) 0.5% increase in rate of salary increase	0.25	0.22
(iv) 0.5% decrease in rate of salary increase	(0.24)	(0.22)
(v) 10% increase in employee turnover rate	0.05	0.05
(vi) 10% decrease in employee turnover rate	(0.06)	(0.05)
2 Sensitivity analysis method		
Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		
VII Actuarial Assumptions:	As at 31 March 2019	As at 31 March 2018
1 Discount rate	7.65% p.a	7.60% 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:

- Amount recognised as an expense in the Statement of Profit and Loss and included in Note 19 under "Salaries and wages":
Gratuity ₹ 1.40 crores (Previous year - ₹ 2.10 crores) and Leave encashment ₹ 0.98 crores (Previous year - ₹ 1.94 crores).
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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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" ₹ 2.23 crore (Previous Year - ₹ 1.71 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, 2019	For the year ended 31st March, 2018
		Pension Plan	Pension Plan
I Expenses recognised in statement of profit and loss during the year:			
1	Current Service Cost	3.88	4.40
2	Interest cost	0.18	0.18
Total Expenses		4.06	4.58
II Expenses/(Income) recognised in OCI			
1	Actuarial changes arising from changes in demographic assumptions	-	-
2	Actuarial changes arising from changes in financial assumptions	-	-
3	Actuarial changes arising from changes in experience adjustments	0.49	0.28
4	Actuarial changes arising from changes in demographic assumptions	(0.11)	(0.22)
5	Return on plan assets excluding interest income	(1.54)	(0.67)
Total Expenses/(Income)		(1.16)	(0.62)
III Net Asset /(Liability) recognised as at balance sheet date:			
1	Present value of defined benefit obligation	92.41	89.29
2	Fair value of Plan asset	64.74	63.78
3	Net Asset /(Liability) - Current	-	-
4	Net Asset /(Liability) - Non- Current	(27.67)	(25.51)
IV Reconciliation of Defined Benefit Obligation recognised as at balance sheet date:			
1	Defined benefit Obligation at beginning of the year	89.29	83.67
2	Current Service Cost	4.46	4.36
3	Past Service Cost	(0.63)	-
4	Interest cost	0.66	0.60
5	Contributions by plan participants	2.80	2.31
6	Administration cost (excl. cost for managing plan assets)	0.04	0.04
7	Actuarial loss/(gain)	3.84	0.51
8	Benefit paid	2.82	(2.20)
9	Others (pensioners staying with AXA)	(10.89)	-
10	Net asset / (liability) at the end of the year	92.41	89.29

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	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Pension Plan	Pension Plan
V Reconciliation of fair value of plan assets:		
1 Fair value of plan assets at the beginning of the year	63.78	59.11
2 Interest income on plan assets	0.48	0.43
3 Contributions by the employer	4.21	3.46
4 Contributions by plan participants	2.80	2.31
5 Benefits (paid) / deposited	2.82	(2.20)
6 Return on plan assets excl. interest income	1.54	0.67
7 Others (pensioners staying with AXA)	(10.89)	-
8 Fair value of plan assets at the end of the year	64.74	63.78
VI The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Others - 100%	64.74	63.78
Total	64.74	63.78
VII Maturity profile of defined benefit obligation		
1 Weighted average duration of defined benefit obligation in years	18.50	18.40
2 Weighted average duration of dbo in years for active members	18.50	18.80
3 Weighted average duration of dbo in years for pensioners	19.10	15.30
VIII 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) 0.25% increase in discount rate	88.34	85.37
(ii) 0.25% decrease in discount rate	96.82	93.53
(iii) 0.25% increase in rate of salary increase	93.27	89.93
(iv) 0.25% decrease in rate of salary increase	91.56	88.66
(v) 1 year increase in life expectancy	93.83	87.74
(vi) 1 year decrease in life expectancy	91.00	90.84

2 Sensitivity analysis method

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

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IX Actuarial Assumptions:	As at		As at	
	31 March 2019		31 March 2018	
1 Discount rate	0.70%		0.70%	
2 Mortality decrement	BVG 2015 GT		BVG 2015 GT	
3 Disability decrement	85% of 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%	
Age 30 – 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%	
	As at		As at	
	31st March, 2019		31st March, 2018	
	Jubilee Plan		Jubilee Plan	
	Men	Women	Men	Women
7 Attrition rate				
Age 25 – 29	20.00%	18.00%	20.00%	18.00%
Age 30 – 34	15.00%	14.00%	15.00%	14.00%
Age 35 – 39	11.00%	11.00%	11.00%	11.00%
Age 40 – 44	8.00%	8.00%	8.00%	8.00%
Age 45 – 49	6.00%	7.00%	6.00%	7.00%
Age 50 – 54	4.00%	5.00%	4.00%	5.00%
Age 55 – 59	2.00%	2.00%	2.00%	2.00%
Age 60 – 65	1.00%	1.00%	1.00%	1.00%
8 Retirement probabilities				
Age 64	-	100%	-	100%
Age 65	100%	-	100%	-

(ii) Jubilee Plan

(CHF in Mn.)

Defined benefit plans -

	For the year ended	For the year ended
	31st March, 2019	31st March, 2018
	Jubilee Plan	Jubilee Plan
I Expenses recognised in statement of profit and loss during the year:		
1 Current Service Cost	0.40	0.36
2 Interest cost	0.02	0.02
Total Expenses	0.42	0.38
II Expenses recognised in OCI		
1 Actuarial changes arising from changes in demographic assumptions	-	-
2 Actuarial changes arising from changes in financial assumptions	-	-
3 Actuarial changes arising from changes in demogr. assumptions	-	0.00
4 Actuarial changes arising from changes in experience adjustments	0.00	0.16
Total Expenses	0.00	0.16

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	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Jubilee Plan	Jubilee Plan
III Net Asset /(Liability) recognised as at balance sheet date:		
1 Present value of defined benefit obligation	3.14	2.92
2 Net Asset /(Liability) - Current	-	-
Net Asset /(Liability) - Non- Current	3.14	2.92
IV Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:		
1 Defined benefit Obligation at beginning of the year	2.92	2.54
2 Current Service Cost	0.39	0.36
3 Interest cost	0.02	0.02
4 Contributions by plan participants	-	-
5 Administration cost (excl. cost for managing plan assets)	0.00	0.00
6 Actuarial loss/(gain)	0.00	0.16
7 Benefits (paid) / deposited	(0.20)	(0.17)
8 Net asset / (liability) at the end of the year	3.14	2.92
V Maturity profile of defined benefit obligation		
1 Weighted average duration of defined benefit obligation in years	7.00	6.90
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) 0.25% increase in discount rate	3.08	2.87
(ii) 0.25% decrease in discount rate	(3.19)	(2.97)
(iii) 0.25% increase in rate of salary increase	3.19	2.97
(iv) 0.25% decrease in rate of salary increase	(3.09)	(2.87)
(v) 1 year increase in life expectancy	3.13	2.92
(vi) 1 year decrease in life expectancy	(3.14)	(2.92)
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, 2019	
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%
Age 30 – 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%

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	(CHF in Mn.)			
	As at 31st March, 2019		As at 31st March, 2018	
	Jubilee Plan		Jubilee Plan	
	Men	Women	Men	Women
7 Attrition rate				
Age 25 – 29	20.00%	18.00%	20.00%	18.00%
Age 30 – 34	15.00%	14.00%	15.00%	14.00%
Age 35 – 39	11.00%	11.00%	11.00%	11.00%
Age 40 – 44	8.00%	8.00%	8.00%	8.00%
Age 45 – 49	6.00%	7.00%	6.00%	7.00%
Age 50 – 54	4.00%	5.00%	4.00%	5.00%
Age 55 – 59	2.00%	2.00%	2.00%	2.00%
Age 60 – 65	1.00%	1.00%	1.00%	1.00%
8 Retirement probabilities	Men	Women	Men	Women
Age 64	-	100%	-	100%
Age 65	100%	-	100%	-

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 insurace for covering all risks arising from the pension plan for its employees from Helvetia AG.

Defined Contribution Pension Scheme (In respect of Carbogen Amcis SAS, Carbogen Amcis Ltd., UK and CARBOGEN AMCIS 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 ₹ 5.37 crores (P.Y. : ₹ 3.88 crores) and the outstanding pension liability as at 31st March 2019 is ₹ 6.14 crores (As at 31st March 2018 : ₹ 1.13 crores).

Note 33: 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. Vitamin D analogues, Cholesterol, Bulk Drugs, Intermediates, Quats and Specialty Chemicals.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and Liabilities:

As certain assets of the Group including manufacturing facilities, development facilities and financial assets and liabilities are often deployed interchangeably across segment, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for segment assets and segment liabilities has not been disclosed.

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(a) Summary of Segmental Information for the year ended 31st March, 2019				(₹ in crores)
Particulars	CRAMS	Vitamin-D, Bulk Drugs, Quats, Speciality Chemicals and traded goods	Unallocated/ Others	Total
Revenue				
External Sales	1,470.75 (1,275.39)	449.19 (377.31)	- -	1,919.94 (1,652.70)
Inter Segment Sales	-	-	-	-
Revenue from Operations - External	1,470.75	449.19	-	1,919.94
Segment Result	251.78 (175.87)	59.74 (58.06)	39.96 (37.36)	351.48 (271.29)
Interest Income	-	-	13.86 (8.32)	13.86 (8.32)
Interest Expenses	-	-	-56.55 (-48.83)	-56.55 (-48.83)
Tax Expense (Income+Deferred Tax)	-	-	-98.47 (-76.22)	-98.47 (-76.22)
Net Profit				210.32 (154.56)

(b) Summary of Segment Revenue and Segment assets for the year ended 31st March, 2019				(₹ in crores)
	India	Rest of the world	Total	
Segment Revenue*	28.33 (31.60)	1,891.61 (1,663.19)	1,919.94 (1,652.70)	
Carrying cost of total assets **	2,908.58 (3,104.12)	4,419.88 (4,072.36)	7,328.46 (7,176.48)	
Carrying cost of non current assets@	2,275.94 (2,397.30)	3,498.96 (3,233.03)	5,774.89 (5,630.33)	

* 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 ₹ 215 crores (Previous year ₹ 225 Crores) representing approximately 11.20% (Previous year : 13.61 %) of the Group's total revenues, for the year ended 31 March 2019.

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Note 34: 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, 2019	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	54.32	2.05	56.37	6.82	-	-	6.82	0.02	-	49.52	49.54	-	-	0.00	0.00	56.37	56.37
- Debt instruments	93.09	17.67	110.76	100.44	-	-	100.44	-	-	-	-	-	-	10.32	10.32	110.76	110.76
Loans	37.64	4.17	41.80	-	-	-	-	-	-	-	-	-	-	41.80	41.80	41.80	41.80
Trade receivable	-	445.30	445.30	-	-	-	-	-	-	-	-	-	-	445.30	445.30	445.30	445.30
Cash and Cash Equivalents	-	76.32	76.32	-	-	-	-	-	-	-	-	-	-	76.32	76.32	76.32	76.32
Other Bank Balance	-	19.35	19.35	-	-	-	-	-	-	-	-	-	-	19.35	19.35	19.35	19.35
Derivative Assets	-	43.98	43.98	-	-	-	-	43.98	-	43.98	-	-	-	-	-	43.98	43.98
Other Financial Assets	2.51	49.18	51.69	-	-	-	-	-	-	-	-	-	-	51.69	51.69	51.69	51.69
Total	187.56	658.01	845.56	107.26	-	-	107.26	0.02	43.98	49.52	93.52	-	-	644.78	644.78	845.56	845.56
Financial Liabilities																	
Borrowings	522.09	520.09	1,042.19	-	-	-	-	-	-	-	-	-	-	1,042.19	1,042.19	1,042.19	1,042.19
Trade Payables	-	194.57	194.57	-	-	-	-	-	-	-	-	-	-	194.57	194.57	194.57	194.57
Other Financial Liabilities	-	263.56	263.56	-	-	-	-	-	-	-	-	-	-	263.56	263.56	263.56	263.56
Total	522.09	978.23	1,500.32	-	-	-	-	-	-	-	-	-	-	1,500.32	1,500.32	1,500.32	1,500.32

(₹ 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 Equivalents	-	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
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

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B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values for investment in equity shares other than subsidiaries, joint venture and associate were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
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.

Note 34: Fair value measurements

(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	DCF method	(i) Discounting rate: March 2019: 9.53 % (March 2018: 9.53 %) (ii) Growth rate: March 2019: 7% (March 2018: 7%)	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

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- (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	Profit or Loss
		As at 31st March 2019	As at 31st March 2018
+/- 0.5% Discount rate and Growth rate	Increase	4.62	2.36
	Decrease	4.34	2.36

- (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 2019:

	Unlisted equity securities
As at 31 March 2017	39.59
Gains/(losses) recognised in other comprehensive income	5.83
As at 31 March 2018	45.42
Gains/(losses) recognised in other comprehensive income	4.09
As at 31st March, 2019	49.51

Note 35: 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 management framework.

The group's activities expose it to market risk, liquidity risk and credit risk. The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the group's policies approved by the Board of directors, which provides principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives etc. Compliance with policies and exposure limits is reviewed by internal auditors. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

The Company's audit committee also oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(A) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade and Other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

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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, 2019, 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 2019:

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, 2019	457.21	11.91	445.30
As at 31st March, 2018	455.92	11.52	444.40

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 2017	18.86
Movement during the year	(7.34)
Balance as at 31 March 2018	11.52
Movement during the year	0.39
Balance as at 31 March 2019	11.91

Cash and cash equivalents

The group held Bank balance of ₹ 95.67 crores as at 31st March, 2019 (₹ 69.06 crore at 31st March, 2018). 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.

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(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in crores)				
Contractual maturities of financial liabilities 31 March 2019	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives				
Long term borrowings (inclusive of accumulated interest)	156.93	128.61	161.95	447.48
Working Capital Facility and Short term loans and borrowings	520.09	-	-	520.09
Trade payables	194.57	-	-	194.57
Other financial liabilities	103.89	-	-	103.89
Total non-derivative liabilities	975.48	128.61	161.95	1,266.04
Derivatives (net settled)				
Foreign exchange forward contracts	(43.98)	-	-	(43.98)
Total derivative liabilities	(43.98)	-	-	(43.98)

(₹ 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

(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, Chinese renminbi (RMB), SGD and CHF. The group has in place the Risk management policy to managed the foreign exchange exposure.

The Foreign currency exchange rate exposure is partly balanced through natural hedge, where in the group's borrowing is in foreign currency and cash flow generated from financial assets is also in same foreign currency.

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.

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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 Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Sr No	Particulars	Currency	Standalone		Subsidiary		As at 31st March, 2019	
			(₹ in crores)	(FC in Mn.)	(₹ in crores)	(FC in Mn.)	(₹ in crores)	(FC in Mn.)
A	Financial assets							
(i)	Trade receivables	EURO	30.26 <i>(9.31)</i>	3.90 <i>(1.16)</i>	33.82 <i>(44.40)</i>	4.36 <i>(5.53)</i>	64.08 <i>(53.71)</i>	8.26 <i>(6.69)</i>
		USD	47.72 <i>(123.66)</i>	6.90 <i>(18.97)</i>	156.67 <i>(465.13)</i>	22.66 <i>(71.38)</i>	204.39 <i>(588.79)</i>	29.56 <i>(90.35)</i>
		GBP	- <i>(0.13)</i>	- <i>(0.01)</i>	1.70 <i>(3.17)</i>	0.19 <i>(0.35)</i>	1.70 <i>(3.30)</i>	0.19 <i>(0.36)</i>
		CHF	4.71 <i>(5.78)</i>	0.68 <i>(0.85)</i>	2.26 <i>(0.84)</i>	0.33 <i>(0.12)</i>	6.97 <i>(6.62)</i>	1.00 <i>(0.97)</i>
(ii)	Loans and Advances	USD	96.88 <i>(56.09)</i>	14.01 <i>(8.61)</i>	- <i>(-)</i>	- <i>(-)</i>	96.88 <i>(56.09)</i>	14.01 <i>(8.61)</i>
(iii)	Bank balance in EEFC accounts	USD	0.02 <i>(-)</i>	0.00 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>	0.02 <i>(-)</i>	0.00 <i>(-)</i>
		EURO	0.04 <i>(-)</i>	0.00 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>	0.04 <i>(-)</i>	0.00 <i>(-)</i>
B	Financial liabilities							
(iv)	Foreign currency loan							
	Bank loan	USD	351.54 <i>(341.83)</i>	50.84 <i>(52.45)</i>	20.66 <i>(2.22)</i>	2.99 <i>(0.34)</i>	372.20 <i>(344.05)</i>	53.82 <i>(52.79)</i>
		EURO	57.42 <i>(109.98)</i>	7.40 <i>(13.70)</i>	- <i>(-)</i>	- <i>(-)</i>	57.42 <i>(109.98)</i>	7.40 <i>(13.70)</i>
		GBP	84.48 <i>(77.68)</i>	9.38 <i>(8.50)</i>	- <i>(-)</i>	- <i>(-)</i>	84.48 <i>(77.68)</i>	9.38 <i>(8.50)</i>
	Interest Payable	USD	- <i>(-)</i>	- <i>(-)</i>	1.34 <i>(46.15)</i>	0.19 <i>(5.05)</i>	1.34 <i>(46.15)</i>	0.19 <i>(5.05)</i>
		EURO	45.42 <i>(-)</i>	6.54 <i>(-)</i>	- <i>(-)</i>	- <i>(-)</i>	45.42 <i>(-)</i>	6.54 <i>(-)</i>
(v)	Trade payables	USD	9.95 <i>(74.58)</i>	1.44 <i>(11.44)</i>	14.58 <i>(19.65)</i>	2.11 <i>(3.02)</i>	24.52 <i>(94.23)</i>	3.55 <i>(14.46)</i>
		EURO	1.43 <i>(2.70)</i>	0.18 <i>(0.34)</i>	6.65 <i>(14.91)</i>	0.86 <i>(1.85)</i>	8.08 <i>(17.61)</i>	1.04 <i>(2.19)</i>
		GBP	0.06 <i>(0.11)</i>	0.01 <i>(0.01)</i>	- <i>(-)</i>	- <i>(-)</i>	(0.01) <i>(0.11)</i>	(0.00) <i>(0.01)</i>
		CHF						

(Figures in bracket and italics reflects of previous year)

Notes (Contd.)

forming part of the consolidated financial statements

The group has entered into forward contract transactions, 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 2019	
					Amount in Foreign currency in Mn.	(₹ in crores)
Forward Cover	To hedge export receivables	USD	Sell	INR	95.83 <i>(23.90)</i>	662.68 <i>(155.77)</i>
		CHF	Sell	USD	4.18 <i>(9.92)</i>	28.90 <i>(64.62)</i>
		EURO	Sell	USD	- <i>(17.60)</i>	- <i>(114.69)</i>
		EURO	Sell	USD	- <i>(16.81)</i>	- <i>(109.55)</i>
		EURO	Sell	INR	- <i>(32.00)</i>	- <i>(256.95)</i>
		GBP	Sell	INR	15.64 <i>(50.90)</i>	140.93 <i>(464.93)</i>
		CHF	Sell	INR	20.00 <i>(21.75)</i>	138.97 <i>(148.67)</i>
		CHF	Sell	USD	- <i>(19.96)</i>	- <i>(136.46)</i>
		CHF	Buy	INR	3.34 <i>(-)</i>	23.18 <i>(-)</i>
		USD	Sell	CHF	29.00 <i>(-)</i>	200.54 <i>(-)</i>
		EURO	Buy	CHF	3.87 <i>(-)</i>	29.98 <i>(-)</i>
		USD	Sell	GBP	5.00 <i>(-)</i>	34.58 <i>(-)</i>
		GBP	Buy	USD	4.30 <i>(-)</i>	38.75 <i>(-)</i>
Swap Cover	To hedge Foreign Currency Loan	CHF	Sell	USD	- <i>(24.36)</i>	- <i>(166.52)</i>
		CHF	Sell	INR	4.31 <i>(6.73)</i>	29.93 <i>(46.03)</i>
		GBP	Sell	INR	- <i>(3.63)</i>	- <i>(33.16)</i>

(Figures in bracket and italics reflects on previous year)

Notes (Contd.)

forming part of the consolidated financial statements

(c) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee, US dollars, Swiss franc against all other currency 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-19				
Effect in INR				
1% movement				
USD	10.90	(10.90)	10.90	(10.90)
EUR	0.32	(0.32)	0.32	(0.32)
GBP	2.62	(2.62)	2.62	(2.62)
CHF	(2.32)	2.32	(2.32)	2.32
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

(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 2019 and 31 March 2018, the group's borrowings at variable rate were mainly denominated in USD, EURO and CHF.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The group's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation.

(a) Interest rate risk exposure

The exposure of the entity's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in crores)	
	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings	1,042.19	1,094.82
Fixed rate borrowings	-	-
Total borrowings	1,042.19	1,094.82

Notes (Contd.)

forming part of the consolidated financial statements

(b) As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

(₹ in crores)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Balance	% of total loans	Balance	% of total loans
Bank loans	1,042.17	97.14	1,094.82	95.43
Interest rate swaps (notional principal amount)	29.82	-	50.00	-
Total borrowings	1,012.35	97.14	1,044.82	95.43

(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, 2019	As at 31st March, 2018
Interest rates – increase by 50 basis points *	(5.21)	(5.47)
Interest rates – decrease by 50 basis points *	5.21	5.47

* 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	1,298.50	-	-	(28.07)	April, 2019 to May, 2021	Other financial liabilities
Interest and currency Swap	29.87	-	29.93	0.06	August, 2018 to October, 2019	Long term borrowings and Other financial liabilities
Foreign currency term loans	494.94	-	514.10	19.16	October, 2018 to Septemeber, 2019	Long term borrowings

Hedge items

(₹ in crores)

Particulars	Nominal Value	Change in fair value	Hedge reserve	Line item in Balance sheet
Foreign Currency Risk				
Highly probable exports	1,823.31	(8.85)	(8.85)	Other equity

Notes (Contd.)

forming part of the consolidated financial statements

Note 36: 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, 2019 and 31st March, 2018.

Note 37:**(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, 2019	For the year ended 31 March, 2018
Annual Maintenance	0.14	0.05
Consumables	0.31	0.07
Conveyance	0.15	0.09
Laboratory Expenses	3.36	0.95
Others	0.55	0.20
Repair & maintenance	0.43	0.30
Raw Material Consumption	0.41	0.11
Salary & Wages	7.87	3.43
Subscription Expenses	0.54	0.04
Total	13.77	5.24

(ii) Details of research and development expenditure recognised as capital expenses

(₹ in crores)

Particulars	For the year ended 31st March, 2019	For the year ended 31 March, 2018
Plant & Machinery	0.45	0.01
Office Equipments and Computers	0.13	0.08
CWIP - Laboratory equipment	0.03	0.61
Intangible assets under development	0.21	20.36
Total	0.82	21.06

Notes (Contd.)

forming part of the consolidated financial statements

Note 38: 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 Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores	As % of consolidated other comprehensive income	Amount Rs. in crores	As % of consolidated total comprehensive income	Amount Rs. in crores
Parent								
Dishman Carbogen Amcis Ltd.	90.95%	4,892.37	26.63%	56.01	91.09%	44.78	38.84%	100.79
Subsidiaries								
Dishman Europe Ltd.	13.51%	726.52	334.02%	702.55	-	-	270.74%	702.55
Dishman USA Inc.	0.45%	23.96	1.53%	3.22	-	-	1.24%	3.22
CARBOGEN AMCIS Holding AG	27.23%	1,464.51	16.95%	35.65	-	-	13.74%	35.65
CARBOGEN AMCIS AG	7.34%	394.73	43.25%	90.97	26.18%	12.87	40.02%	103.84
Dishman International Trading (Shanghai) Co. Ltd.	0.14%	7.76	0.14%	0.29	-	-	0.11%	0.29
CARBOGEN AMCIS (Shanghai) Co. Ltd.	1.92%	103.10	2.50%	5.25	-	-	2.02%	5.25
CARBOGEN AMCIS Ltd. (UK)	0.93%	50.03	3.70%	7.79	-	-	3.00%	7.79
CARBOGEN AMCIS B.V.	4.92%	264.43	29.74%	62.56	-	-	24.11%	62.56
Dishman Australasia (Pty) Ltd.	0.02%	0.97	0.23%	0.49	-	-	0.19%	0.49
Dishman Middle East FZE	0.01%	0.80	(0.42%)	(0.88)	-	-	(0.34%)	(0.88)
Dishman Carbogen Amcis (Japan) Ltd.	0.12%	6.60	1.64%	3.45	-	-	1.33%	3.45
CARBOGEN AMCIS SAS	0.44%	23.80	2.58%	5.43	-	-	2.09%	5.43
Dishman Carbogen Amcis (Singapore) Pte. Ltd.	16.09%	865.55	0.50%	1.06	-	-	0.41%	1.06
Sub Total	164.06%	8,825.15	463.01%	973.84	117.27%	57.65	397.51%	1,031.49
Less : Effect of Inter Company elimination/adjustment	(64.06%)	(3,446.06)	363.01%	(763.51)	17.27%	(8.49)	(297.51%)	(772.00)
Total	100%	5,379.09	100%	210.33	100%	49.16	100%	259.49

Note 39: The financial statements were authorised for issue by the Holding Company's Board of directors on 15-May-2019.

As per our attached 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 : 15th May, 2019

12th Annual Report 18-19

For and on behalf of the Board of Directors

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

Vimal D. Shukla
Proprietor
Membership No. 036416

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Harshil R. Dalal
Global CFO

Place : Ahmedabad
Date : 15th May, 2019

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Shrima G. Dave
Company Secretary
ACS 29292

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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 Ltd. (DEL)	Dishman USA Inc. (OUS)	CARBROGEN AMCIS AG Holding AG (CSHAG)	CARBROGEN AMCIS AG (CAG)	Dishman International Trading Co. Ltd. * (Shanghai) Co. Ltd. *	CARBROGEN AMCIS (Shanghai) Co. Ltd. (CSACL)	Carbogen Amcis Ltd. (UK)	CARBROGEN AMCIS B.V. (CARBV)	Dishman Australia (Pty) Ltd.	Dishman Middle East FZE	Dishman CARBROGEN AMCIS (Japan) Ltd.	CGARRBORH	Dishman Carbogen Amcis (Singapore) Pte. Ltd.
	The Date since when subsidiary was acquired/created	31/03/2019	31/03/2019	08/08/2006	22/08/2006	17/02/2004	13/09/2006	21/04/2005	09/04/2003	27/07/2007	22/03/2011	03/04/2007	01/12/2012	13/07/2016
	Reporting Period of the Subsidiary	British Pound	US Dollar	CHF	CHF	CNY	CNY	British Pound	Euro	AUS\$	UAE Dirhams	JPY	Euro	SGD
	Currency of presentation													
1	Share Capital													
	In Foreign Currency (in Mn.)	0.16	0.30	3640	1.45	1.65	19600	0.00	0.23	0.10	0.95	153.23	1.20	125.91
	In Indian Rupees (in Cr.)	1.43	2.07	252.94	10.08	1.70	201.96	0.00	1.76	0.49	1.79	9.56	9.31	642.61
2	Reserve													
	In Foreign Currency (in Mn.)	80.47	3.17	174.37	55.36	5.88	69.85	5.55	33.87	0.10	-0.52	-47.38	1.87	43.68
	In Indian Rupees (in Cr.)	725.09	21.89	1,211.57	384.66	6.06	98.87	50.03	262.68	0.48	-0.89	-2.96	14.49	222.95
3	Total Assets													
	In Foreign Currency (in Mn.)	84.33	23.16	240.44	170.80	11.84	166.72	11.32	48.12	0.75	0.53	118.14	5.72	188.05
	In Indian Rupees (in Cr.)	759.89	160.16	1,670.63	1,186.77	12.20	171.79	102.03	380.97	3.20	1.00	7.37	44.39	959.74
4	Total Liabilities													
	In Foreign Currency (in Mn.)	3.70	19.70	29.66	113.99	4.31	66.87	5.77	15.02	0.56	0.11	12.29	2.45	18.46
	In Indian Rupees (in Cr.)	33.37	136.20	206.11	792.04	4.44	68.89	52.00	116.53	2.73	0.20	0.77	20.59	94.19
5	Investments													
	In Foreign Currency (in Mn.)	4.52	Nil	237.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees (in Cr.)	40.70	Nil	1,646.77	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Turnover													
	In Foreign Currency (in Mn.)	42.14	15.79	Nil	142.30	26.67	73.31	10.56	32.76	1.83	0.00	86.26	3.68	0.00
	In Indian Rupees (in Cr.)	379.74	109.22	Nil	988.77	27.48	75.43	95.18	254.12	5.06	0.00	5.38	28.51	0.00
7	Profit Before Tax													
	In Foreign Currency (in Mn.)	77.32	0.59	5.08	17.52	0.27	11.74	1.08	10.52	0.10	-0.46	67.27	0.82	0.32
	In Indian Rupees (in Cr.)	686.74	4.09	35.29	121.76	0.28	12.06	9.76	81.63	0.47	-0.87	4.20	6.35	1.63
8	Provision for Tax													
	In Foreign Currency (in Mn.)	0.74	0.17	0.03	4.64	-0.01	6.71	0.21	2.51	0.00	0.00	12.63	0.15	0.11
	In Indian Rupees (in Cr.)	6.71	1.14	0.21	32.25	-0.01	6.91	1.87	19.47	0.00	0.00	0.79	1.14	0.58
9	Profit After Tax													
	In Foreign Currency (in Mn.)	76.58	0.43	5.05	12.88	0.28	5.03	0.88	8.01	0.10	-0.46	54.64	0.67	0.21
	In Indian Rupees (in Cr.)	690.03	2.95	35.08	89.51	0.29	5.18	7.90	62.16	0.47	-0.87	3.41	5.21	1.05
10	Proposed Dividend													
	In Foreign Currency (in Mn.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees (in Cr.)	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%
Note: The Foreign Currency Figures (including Capital) have been converted into Indian Rupees using the exchange rates prevailing as on 31.03.2019														
Conversion Rate		British Pound	US Dollar	CHF	CHF	CNY	CNY	British Pound	Euro	AUS\$	Dirham	Japanese Yen	Euro	SGD
Foreign Currency into INR as on 31.03.2019		80.11	69.15	69.46	69.46	10.30	10.30	90.11	77.57	49.06	18.83	0.62	77.57	51.04

Note:

- Names of the subsidiary which is yet to commence operation: Dishman Carbogen Amcis (Singapore) Pte . Ltd.
- Name of the subsidiaries which have been liquidated or sold during the year: Dishman Switzerland Ltd. and Innovative Ozone Services Inc.
- The Financials of the Shanghai Yiqian International Trade Co. Ltd. Has been merged with Dishman International Trading (Shanghai) Co. Ltd

Place : Ahmedabad
Date : 15th May, 2019

Arpit J. Vyas
Global Managing Director
DIN: 01540057

Deohooti J. Vyas
Whole Time Director
DIN: 00004876

Harshil R. Dalal
Global CFO

Shrima G. Dave
Company Secretary
ACS 29292

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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 12th ANNUAL GENERAL MEETING of the company held on **Tuesday the 24th day of September, 2019 at 11.00 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 12th Annual General Meeting of the Company, to be held on **Tuesday, the 24th day of September, 2019 at 11.00 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.	Resolutions	Optional	
		Favour	Against
	Ordinary Business		
1.	(a) Adoption of Standalone Audited Financial Statements for the year ended 31.03.2019 & report of the Board of Directors and Auditors thereon.		
	(b) Adoption of Consolidated Audited Financial Statements for the year ended 31.03.2019 and the report of the Auditors thereon.		
2.	To declare Dividend on Equity Shares of the Company for the Financial Year 2018-19.		
3.	Re-appointment of Mr. Mark Griffiths, who retires by rotation.		
	Special Business		
4.	To confirm the appointment of Ms. Maitri K. Mehta, as a Regular Director in Independent Director category.		
5.	Re-appointment of Mr. Subir Kumar Das, as an Independent Director for a second term of five consecutive years.		
6.	Re-appointment of Mr. Rajendra Shah, as an Independent Director for a second term of five consecutive years.		
7.	Payment of remuneration to Mr. Janmejay R. Vyas, Chairman of the Company for rendering professional service to the Company.		
8.	To approve continuation of payment of remuneration to Executive Directors viz. Mr. Arpit J. Vyas and Mrs. Deohooti J. Vyas, who are Promoters in excess of threshold limits as prescribed under Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018.		

Signed this _____ day of _____ 2019

Notes:

- 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.
- The Proxy Form may be deposited at the Corporate Office of the Company at Dishman Corporate House, Iscon - Bopal Road, Ambli, Ahmedabad - 380 058, Gujarat, at least 48 hours before the time for holding the meeting.
- The proxy need not be a member of the Company.
- All alterations made in the Form of Proxy should be initialled.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

Affix
Revenue
Stamp not
less than
Re.1/-

Signature of shareholder

Signature of Proxy holder(s)

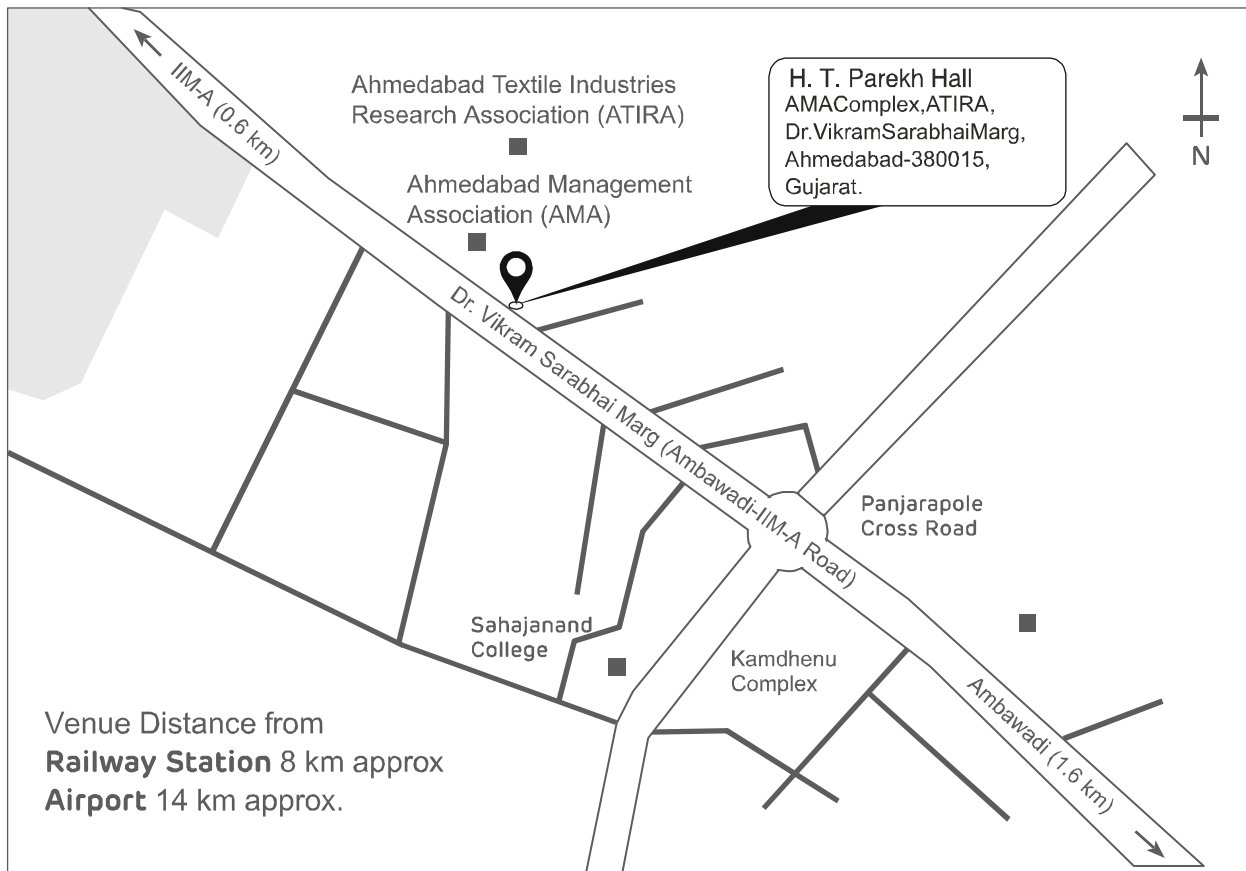
ROUTE MAP TO THE VENUE OF THE 12TH ANNUAL GENERAL MEETING

Venue :

H. T. Parekh Hall, 1st Floor, Ahmedabad Management Association, ATIRA Campus,
Dr. Vikram Sarabhai Marg, Ahmedabad-380 015.

Landmark :

Opposite Indian Institute of Management (IIM), Ahmedabad





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ENERGISE YOUR
SCIENCE FOR LIFE



Dishman Carbogen Amcis Limited.
Bhadra-Raj Chambers
Swastik Cross Road, Navrangpura
Ahmedabad - 380 009
Gujarat, India

www.dishmangroup.com

Dishman is a global, dynamic group of companies offering a continuum of services to the pharmaceutical industry. We are a global outsourcing partner for pharmaceutical companies, offering a portfolio of products and development, scale-up and manufacturing services.

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