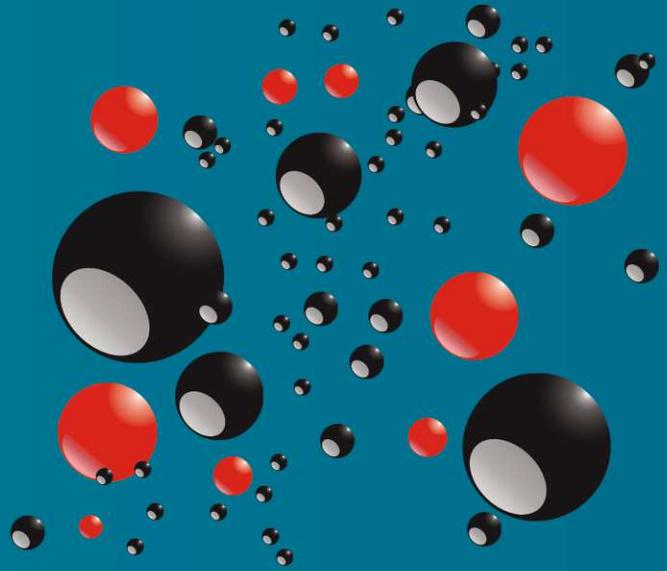


Dishman Pharmaceuticals and Chemicals Limited

TWENTY NINTH
ANNUAL REPORT
2011 - 2012



GLOBAL PARTNERSHIP SOLUTIONS



COMPANY INFORMATION
BOARD OF DIRECTORS:

Shri Janmejy R. Vyas (Chairman & Managing Director)
 Mrs. Deohooti J. Vyas (Whole time Director)
 Shri Arpit J. Vyas (Whole time Director)
 Shri Yagneshkumar B. Desai
 Shri Sanjay S. Majmudar
 Shri Ashok C. Gandhi

COMPANY SECRETARY AND COMPLIANCE OFFICER:

Mr. Deepak S. Pandya

AUDITORS:

Deloitte Haskins & Sells
 Chartered Accountants
 "Heritage" 3rd Floor, Nr. Gujarat Vidhyapith,
 Off Ashram Road, Ahmedabad-380014

REGISTRAR & TRANSFER AGENT:

Link Intime India Pvt. Ltd.
 (Formerly known as Intime Spectrum Registry Ltd.)
 C-13, Pannalal Silk Mills Compound, LBS Marg,
 Bhandup (West), Mumbai – 400 078
 Tel. No. 91-22-2596 3838, Fax No.: 91-22-2594 6969,
 Email: mumbai@linkintime.co.in

REGISTERED OFFICE:

Bhadr-Raj Chambers, Swastik Cross Road,
 Navrangpura, Ahmedabad – 380 009
 Tel. No.: 91-79-26443053, 26445807
 Fax No.: 91-79-26420198
 Email: dishman@dishmangroup.com
 Website: www.dishmangroup.com

WORKS:

Phase-IV, 1216/20, G.I.D.C. 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 -382220 (also various other Plots)

BANKERS:

State Bank of India
 Bank of Baroda
 Corporation Bank
 Bank of India

SUBSIDIARY COMPANIES:

Dishman Europe Ltd.
 Dishman USA Inc.
 Dishman International Trading (Shanghai) Co. Ltd.
 Dishman Switzerland Ltd.
 Dishman Pharma Solutions AG.
 Dishman Pharmaceuticals & Chemicals (Shanghai) Co. Ltd.
 Carbogen Amcis AG.
 Carbogen Amcis Ltd. (U.K.)
 Innovative Ozone Service Inc. (IO3S)
 Dishman Netherlands B.V.
 Cohecie Fine Chemicals BV. (Formerly known as Dishman Holland B.V.)
 Dishman Japan Ltd.
 Carbogen Amcis (India) Ltd.
 Dishman Australasia Pty. Ltd.
 Dishman Care Ltd.
 Dishman Middle East (FZE)

JOINT VENTURE COMPANIES:

Schutz Dishman Biotech Ltd.
 Dishman Arabia Ltd.

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NOTICE

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED will be held on Tuesday, the 25th September, 2012 at 9.30 a.m. at H. T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with necessary annexures and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. Deohooti J. Vyas , who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Sanjay S. Majmudar , who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Regd. Office : Bhadr-Raj Chambers,
Swastik Cross Road, Navrangpura,
Ahmedabad – 380 009.
Date : 31st July, 2012

By Order of the Board of Directors

(Deepak S. Pandya)
V.P. (Legal) & Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

2. Members / Proxies should fill in the Attendance Slip for attending the Meeting and they are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
3. **Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of documents including Annual Report to shareholders by a Company can be made through electronic mode. Keeping in view the underlying theme and to support this green initiative of Government in right spirit, members who holds 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 the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the prescribed form (refer page No. 89 of this Annual Report), giving their consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement or any other communication in electronic mode, and register the said form with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. The said form is also available on the Company's website www.dishmangroup.com.**
4. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2003-04, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

5. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
6. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.

7. The relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, in respect of Directors seeking appointment / re-appointment as Directors under Item Nos. 3 and 4 above, are also annexed hereto.
8. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and Sundays, between 2.00 p.m. and 4.00 p.m. up to the date of the Annual General Meeting.
9. (a) The Company has already notified closure of Register of Members and Share Transfer Books from **Saturday, the 15th day of September, 2012 to Tuesday, the 25th day of September, 2012 (both days inclusive)**, for determining the names of Members eligible for dividend on Equity Shares, if declared and approved at the Annual General Meeting.
(b) The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 28th September, 2012 to those members whose names appear on the Company's Register of Members on the close of business hours on 14th September, 2012. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose. In respect of shares held in physical form by the members, dividend will be paid to them after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14th September, 2012.
10. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
11. 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 2B** duly filled in and signed by them to the Depository Participants in case the shares are held in electronic form.

ANNEXURE TO THE NOTICE

NOTES ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 29TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF LISTING AGGEMENT ENTERED INTO WITH STOCK EXCHANGES.

Profile of Directors being Re-appointed under Item Nos.3 & 4 of the above Notice:

Name of the Director	Mrs. DEOHOOTI J. VYAS	Mr. SANJAY S. MAJMUDAR
Age	60	49
Date of Appointment	01/12/1997	14/02/2004
Qualification	➤ Holds Bachelor Degree in Science	<ul style="list-style-type: none"> ➤ Chartered Accountant by Profession ➤ Bachelor Degree in Law ➤ Company Secretary
Experience	<p>She has a rich experience in the field of Administration and Human Resource Development.</p> <p>She is associated with the Company since long time. She is instrumental in the strategic decision making HR Policies.</p>	<p>Has experience of over 25 years as a Practicing Chartered Accountant.</p> <p>Also proprietor of the firm M/s. Sanjay Majmudar and Associates and also Partner in M/s. Parikh & Majmudar.</p> <p>Has been a Chairman of the editorial Committee of the Ahmedabad Chartered Accountants Association Journal during the year 1994-95.</p> <p>Has been a Chairman of NRRC Committee of the Chartered Accountants Association Ahmedabad during 2000-01 & 2002-03.</p> <p>Has rich experience in the area of Finance, Corporate Law, Direct tax, Auditing and Accounting.</p>
Directorship Held in other Companies	<ul style="list-style-type: none"> ➤ Schutz Dishman Biotech Limited ➤ B.R.Laboratories Limited ➤ Bhadr- Raj Holdings Private Limited ➤ Azafran Innovacion Limited ➤ Adimans Technologies Private Limited ➤ Dishman Care Limited 	<ul style="list-style-type: none"> ➤ Aarvee Denim and Exports Limited ➤ AIA Engineering Ltd. ➤ Carbogen Amcis (India) Ltd. ➤ Keyur Financial Services Pvt. Ltd. ➤ Welcast Steels Limited ➤ M & B Engineering Ltd.
Chairman/Member of the Committees of the Board of the other Companies on which he is a Director	NIL	<p>Audit Committee</p> <ul style="list-style-type: none"> ➤ Aarvee Denim and Exports Limited [Chairman of the Committee] ➤ AIA Engineering Ltd. ➤ M & B Engineering Ltd. <p>Remuneration Committee</p> <ul style="list-style-type: none"> ➤ Aarvee Denim and Exports Limited [Chairman of the Committee]
Disclosure of Relationship	Mrs. D. J. Vyas is a wife of Mr. Janmejy R. Vyas, Chairman & Managing Director and Mother of Mr. Arpit J. Vyas, Whole-time Director of the Company.	He is not, in any way, concerned / interested /related with any of the other Directors of the Company
No. of Shares held in the Company	10964500	21650

DIRECTORS' REPORT

To
The Shareholders of
Dishman Pharmaceuticals and Chemicals Limited

Your Directors have pleasure in presenting their Report along with the Audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
Net Sales	46340.06	42081.79
Profit before Tax & other Adjustments	6751.86	4853.92
Less : Current tax	2096.89	987.18
Add : MAT Credit Entitlement	—	408.55
Less : Deferred Tax Liability	171.40	262.80
Profit After Tax	4483.57	4012.49
Balance of profit brought forward	2432.45	5795.42
Amount available for Appropriation	6916.02	9807.91
Appropriations:		
Transfer to Debenture Redemption Reserve	1250.00	1250.00
Transfer to General Reserve	2500.00	5000.00
Proposed Dividend	968.37	968.37
Tax on Proposed Dividend	157.09	157.09
Balance Carried to Balance Sheet	2040.56	2432.45

DIVIDEND:

Your Company follows a dividend policy by harmonizing the needs of the Company as well as the shareholders to have return on investment. For the financial year 2011-2012, your Directors are pleased to recommend a final dividend of 60% on the paid-up equity share capital of Rs.1613.94 lacs (Rs.1.20/- per equity share of Rs.2/- each) (previous year 60% on the paid-up equity share capital of Rs.1613.94 lacs, i.e. Rs.1.20/- per equity share of Rs.2/- each), which if approved at the forthcoming Annual General Meeting 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 14th September, 2012.

PERFORMANCE AND OPERATION REVIEW:

During the year, your company achieved a turnover of Rs.46340.06 lakhs as against Rs. 42081.79 lakhs during the previous year reflecting a growth of 10.12%. Exports constitute Rs.40514.23 lakhs or 87.69% of sales for 2011-12. Profit before tax improved by 39.10% (Rs.6751.86 lakhs during the year as against Rs.4853.94 in the previous year). Profit after tax for the year was Rs.4483.57 lakhs as against Rs.4012.52 Lakhs during previous year.

Earning per share for the year works out to Rs.5.56 per share (previous year Rs.4.97).

The consolidated turnover, which includes results of all its wholly owned subsidiaries, proportionate share in the joint ventures (Schutz Dishman Biotech Ltd., Dishman Arabia Ltd., and Dishman Japan Ltd.) and associate (Bhadra- Raj Holdings Pvt. Ltd.) reported 8.99% growth in sales to Rs.112411.17 lacs for the financial year 2011-12 compared to the previous year's sales of Rs.103135.51 lacs.

Consolidated Profit before tax & other adjustment of the Company for the financial year 2011-12 stood at Rs. 8791.17 lakhs (previous year Rs. 9077.39 lakhs) marginal reduction due to higher operating costs arising from change in product mix. Consolidated Profit after tax for the financial year 2011-12 was Rs. 5675.83 lakhs (previous year Rs. 8001.19 lakhs), the decrease was mainly due to higher tax expenses as the tax concession available to EOU units in India are not available from financial year 2011-12 and the tax rebate available on carry forward loss to one of our subsidiaries is fully adjusted against the profits.

The consolidated Earning per share for the year work out to Rs.7.03 per share (previous year Rs.9.92 per share).

A detailed analysis of the performance of the Company and financial results is given in the Management Discussion and Analysis Report, which forms part of this Report.

ACQUISITION OF CREAPHARM PARENTERALS:

Your Company's wholly owned subsidiary company, namely Carbogen Amcis AG, Switzerland has acquired Creapharm Parenterals, a subsidiary of France based Greapharm Group. Creapharm Parenterals is a contract development and manufacturing organization specializing in liquid, semi-solid and injectable aseptic dosage form. As a part of this acquisition, Creapharm Parenterals has changed its name to Carbogen Amcis SAS. The Acquisition will extend Carbogen Amcis' comprehensive range of development and manufacturing services by adding complementary formulations, lyophilization, services and sterile GMP capabilities for the fast supply of drug products including highly potents, for preclinical studies and clinical trials.

US FDA APPROVALS:

In the month of October, 2011 Food and Drug Administration (FDA) has successfully audited the Veenendaal facility of Dishman Netherlands, a subsidiary of the company for its two products namely Cholesterol HP and Calcitriol. Also, during the year, Company's Wholly Owned Subsidiary company, namely Carbogen Amcis AG., Switzerland has successfully completed US FDA PAI for a new hi potency drug for a US multinational.

UNITS AT BAVLA:

During the year three major expansion units viz. Hypo facility (Unit 9), Disinfectant Division (Unit 10) and Vitamin D (Unit 13) were brought to stream and trial runs have been successfully completed and validation is going on.

RESEARCH AND DEVELOPMENT:

Imagination, Invention & Innovation are the three main pillars of Research and Developments. It is the foundation upon which Company's strategy of manufacturing and marketing of Bulk Drugs, Intermediates (including contract manufacturing), Fine Chemicals, Quats & Specialty chemicals stands.

At Bavla facility, your Company has created a state-of-the-art R & D center comprising three floors and having total built up area of 4500 Sq. Mtrs. The R&D center houses a technical library, 8 R&D laboratories, a formulation development laboratory, an analytical development department, a kilo lab and a cGMP compliant pilot plant. The technical library has a rich collection of books and periodicals covering various chemistry and related topics. It is staffed by competent information scientists.

Your Company offers portfolio of services from process R&D in state-of-the-art laboratories, kilo and pilot plant trials in well equipped kilo labs and pilot plants and scale-up to full scale commercial manufacture in multi purpose production units as well as dedicated facilities for certain products as per customer requirement. By offering technical and manufacturing excellence in multiple locations around the globe, your Company is the global outsourcing partner for the pharmaceutical industry providing innovative development and value for money, long term commercial supply.

Your Company Offers R & D services with a specialization in development process that is truly scalable to commercialization through process research and development aimed at commercially viable optimized processes. Your Company's R & D process is supported by Analytical Services department which provide support in development of new analytical methods for products developed in the R&D labs. Analytical Development Lab is equipped with all modern equipment for the analysis of raw materials, intermediates and finished products. We constantly upgrade the instruments as per the requirements of our customers/products. The QC supports the analytical requirements starting from initial raw material releases to release of Final API. Kilo & Pilot facilities for cGMP production of API are an integral part of R&D center to facilitate maximum interaction and ensure seamless process transfer from Laboratory to plant.

The R&D labs work under full Good Laboratory Practices (GLP). Each R&D lab has a process R&D area and its own analytical section. The R&D labs are equipped with latest equipment for carrying out diverse reactions. We continue to add to our knowledge on various reactions as well as try new technologies. We have now successfully used enzymes at lab scale and also commercial scale for conversions that involve multiple steps if done using conventional chemistry. We have concluded lab runs on irradiation technology for Vitamin D analogues. A small-scale irradiation equipment has been installed for certain niche products. In the kilo lab, we have small reactors ranging from 30 L to 100 L capacity for small scale reactions. The cGMP pilot plant has a range of equipment which is required for the scale up of reactions developed in the labs.

As you know, We now have a separate group of scientists working on generic APIs. This group is involved in developing non-infringing routes to various generic and soon-to-be generic APIs. Last year, non-infringing process for about 10 APIs of various therapeutic categories have been developed in the labs and successfully validated in the pilot plant.

QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE) & CORPORATE SOCIAL RESPONSIBILITY:

Your Company's products and processes are developed in accordance with strictly defined rules to ensure safety and Health of workers as well as the environment. This is achieved by conducting the Risk Assessment, Identification of significant environmental aspects, Safety Audits, customer audits, HAZOP study and Environment audits. All manufacturing plants follow responsible care.

The Company's QHSE policy is being implemented, among others, through (i) Maintaining the "Zero Discharge" of waste water by series of treatment; (ii) Incineration of liquid and solid waste at site; (iii) Practicing On-site emergency plan by conducting mock-drills; (iv)

Replacement of hazardous process / chemical to non-hazardous process for converting to low hazards; (v) Fire detection and protection system available at site; (vi) Conducting intensive QHSE training programs including contractor employees; (vii) Participation of employees in Safety committee meetings at all levels and celebrating the National Safety Day, Fire Service Day, World Environment Day and World Earth Day; (viii) Independent safety and environment audits at regular intervals by third party and also in-house; (ix) In-house medical and health facility at site for pre-employment & periodical medical check-up of all employees including contract employees; (x) Blood Donation Camp at site for social cause; (xi) Participation and paper presentation on good practices adopted by dishman on SHE management in National and International Conferences. (xii) Become the signatory member of Responsible Care for commitment towards Environment, Health & Safety (EHS) management system. (xiii) Rated low risk facility by various international Customer by conducting EHS audit in depth.

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

In its pursuit of excellence towards sustainable development and to go beyond compliance, Dishman integrated its ISO:14001 EMS, ISO:9001 QMS and ISO:18001 OSHA management systems and also Company has initiated the process for certification of HACCP and FAMI-Qs.

Your Company's efforts are recognized by State Level, National Level and International level Awards from time to time. This year Company has been awarded the most prestigious award as:

- 1) "Suraksha Purashkar" for Bavla site and "Prashansa Patra" for Naroda site from National Safety Council of India, Mumbai in manufacturing Sector.
- 2) "Platinum Category" Greentech Environment Excellence Award 2011 from Greentech Foundation, Delhi.

CORPORATE SOCIAL RESPONSIBILITY:

The Company continued extending help towards social and economic development of the villages and the communities located close to its operations and also providing assistance to improving their quality of life. Company's intention is to ensure that we meet the development needs of the local community. The company is signatory member of Responsible Care. Dishman has a long and strong tradition of supporting the larger communities that it connects with – from education, health, drinking water. During the year, activities focused on improving the village infrastructure by Health camps at nearby villages, maintaining the Street solar Lights, maintaining the Circle, school buildings and education support etc. The Company has made investments towards implementation of these development activities in the village area of Bavla, Lodariyal, Modasar and Daran. Simultaneous to these, the Company furthered its community development activities as Blood donation camp, Multi-diagnostic Health camps, etc.

NON CONVERTIBLE DEBENTURE (NCD):

As you are aware, in February, 2010 your company has issued Secured Redeemable Non Convertible Debentures of Rs.75 crores in the form of Separately Transferable Redeemable Principle Parts ("STRPPs") of Rs.10 lacs each fully paid-up on private placement basis and the said NCD has been listed on the Bombay Stock Exchange Ltd. (BSE) in the list of securities of F Group – Debt Instrument w.e.f. 13th May, 2010. These NCDs will be redeemed at par at the end of 4th, 5th, 6th & 7th year in ratio of 20:20:30:30 respectively.

In June, 2010, the Company has issued second trench of its Secured Redeemable Non- convertible Debentures (NCDs) of Rs.75 crores in the form of Separately Transferable Redeemable Principal Parts ("STRPPs") of Rs.1 lac each fully paid-up on private placement basis and the said NCDs have been listed on the Bombay Stock Exchange Ltd. (BSE) in the list of securities of F Group – Debt Instruments w.e.f. 17th September, 2010. These NCDs will be redeemed at par at the end of 4th & 5th year in the ratio of 50: 50 respectively.

LISTING ARRANGEMENT:

The equity shares of the Company are listed at the National Stock Exchange of India Ltd., Mumbai (NSE) and Bombay Stock Exchange Ltd., Mumbai (BSE). Annual listing fees for the year 2012-13, as applicable, have been paid before due date to the concerned Stock Exchanges.

The Secured Redeemable Non-Convertible Debentures (NCDs) of Rs.150 crores issued by the Company in two trenches are also listed at Bombay Stock Exchange Ltd., Mumbai (BSE). Annual listing fees for the year 2012-13, as applicable, have also been paid before due date to the BSE.

DEPOSITS:

The Company has not accepted any deposits as defined under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, as amended, during the year under review.

DIRECTORS:

Mrs. Deohooti J. Vyas and Mr. Sanjay S. Majmudar, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Profiles of these Directors as required under clause 49 of the listing Agreement are given in the Annexure to the Notice dated 31st July, 2012.

INSURANCE:

The Company has made necessary arrangements for adequately insuring its insurable interests.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibilities Statement, the Directors, based on the representations received from the Company's operating management, hereby confirm:

- i. that in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the Directors had adopted 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 the year under review;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the accounts for the financial year ended 31st March, 2012 have been prepared on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT:

M/s. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company hold office until the conclusion of the Twenty Ninth Annual General Meeting and are eligible for reappointment. M/s. Deloitte Haskins & Sells have informed the Company that, if appointed, their appointment as Auditors will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Accordingly, the members' approval is being sought for their appointment as the Auditors of the Company and for fixation of their remuneration for the year 2012-2013, at the ensuing Annual General Meeting.

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

COST AUDIT:

M/s. Kiran J. Mehta & Co., Cost Accountants, having been appointed by the Central Government has conducted the audit of the cost accounts in respect of Bulk Drugs activity of the Company for the financial year 2010-11 and submitted their report to the Central Government on 27th September, 2011.

The Central Government has also approved the appointment of M/s. Kiran J. Mehta & Co., Practicing Cost Accountants, Ahmedabad as Cost Auditors for conducting cost audit of Bulk Drugs activity of the company for the financial year 2011-12.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

Information of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure-I and forms part of this Report.

PARTICULARS OF EMPLOYEES:

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in the Annexure-II and forms part of this Report.

SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the General Circular No.2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Accounts and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is attached along with the consolidated financial statement in compliance with the said circular. The Company will provide the annual accounts of its subsidiary companies and the related detailed information on the specific request made by any shareholders and the said annual accounts are open for the inspection at the registered office of the Company during office hours on all working days, except Sundays and holidays, between 2.00 p.m. and 4.00 p.m.

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

While preparing the consolidated financial statements, Company has consolidated the accounts of two Joint Venture companies namely Schutz Dishman Biotech Ltd.(22.33% holding by the Company), and Dishman Arabia Ltd. (50% holding by the Company), and one associate company namely, Bhadra Raj Holdings Pvt. Ltd. (40% holding by the Company), as per the requirements of Accounting Standard 27 (AS-27) and Accounting Standard 23 (AS-23) respectively.

During the year, Company has invested AED 0.8 million in the share capital of its wholly owned subsidiary Company namely Dishman Middle East (FZE).

In the month of March, 2012, the Company has agreed, subject to approval of the Dishman FZE's two lenders and compliance to the rules and regulations of UAE government, to disinvest its shareholding in Dishman FZE, a 100% wholly owned subsidiary of the Company to Nami Trading FZ LLC, a UAE based company and received the agreed amount. The Company has received approval for the said disinvestments from one of the term lenders of Dishman FZE and for other the request for approval is in process. Accordingly, the financial results of Dishman FZE, have been incorporated up to the date of the amount received by the Company for the said disinvestments, in accordance with the applicable requirements of Accounting Standard AS-21 on "Consolidated Financial Statements".

During the year, the Company's holding in JV namely CAD Middle East Pharmaceuticals Inds., established in Saudi Arabia, has been reduced from 30% to 14.9%, due to increase in shareholding by other JV Partners.

Dishman LLP, a limited liability partnership (LLP) incorporated in UK and subsidiary of the Company, has been dissolved w.e.f. 10th July, 2012, on the application made by the LLP to the Companies House, London for striking off its name from the Companies Registrar, UK.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION ANALYSIS REPORT:

Your Company follows the principles of effective corporate governance and committed to maintain highest standard of corporate governance by adhering to the corporate governance requirements set out by SEBI. The Company has complied with all the mandatory provisions of Corporate Governance as prescribed in the revised Clause 49 of the Listing Agreement with the Stock Exchanges.

As required by clause 49 of the Listing Agreement, a detail report on Corporate Governance compliance and Management Discussion and Analysis Report forms a part of Annual Report along with the required Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in revised Clause 49 of the Listing Agreement.

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

ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the continued assistance and cooperation received from the Indian and International Financial Institutions, Banks, Government Authorities, Shareholders and other stakeholders. Your Directors are also grateful to the customers, suppliers and business associates of your Company for their continued co-operation and support. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable teamwork and enthusiastic contribution to the growth of Company's business during the year.

For and on behalf of the Board

Place : Ahmedabad
Date : 31st July, 2012

(Janmejy R. Vyas)
Chairman & Managing Director

ANNEXURES FORMING PART OF DIRECTORS' REPORT

ANNEXURE I - ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

A. CONSERVATION OF ENERGY:

- MEASURES TAKEN & ANY KIND OF THE 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 (PXIIL) on 2nd April, 2012 and appointed Gensol Consultant Pvt. Ltd. to do daily power trading bid on behalf of the Company. The Power Trading initiative taken by your company will help in energy conservation and minimize the cost of production.

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

a) POWER AND FUEL CONSUMPTION	2011-2012	2010-2011
1. ELECTRICITY		
a. Purchased		
Unit [KWH]	26227140	20619840
Total Amount [Rs]	172457607	127243476
Rate/ Unit [Rs]	6.57	6.17
b. Own Generation [through D.G.Unit]		
Unit [KWH]	261856	192288
Unit Per ltr. of Diesel oil [KWH]	2.98	3.49
Cost/Unit [Rs]	14.55	10.97
2. DOC		
Quantity [MT]	10355.63	13561.78
Total Amount [Rs.]	54589723.97	57947142.14
Average rate [Rs/MT]	5271.50	4272.83
3. FUEL [LDO+FO]		
Quantity (Ltrs.)	807740.00	994436.00
Total amount (Rs.)	29862564.79	33600100.86
Average rate (Rs./ Ltr.)	36.97	33.79
4. CNG GAS		
Quantity (Kg.)	568280	—
Total cost (Rs.)	20486816	—
Rate/kg.	36.05	—
b) CONSUMPTION PER UNIT OF PRODUCTION	: Since the Company manufactures several bulk drugs, bulk drug intermediates and specialty chemicals, it is not practical to apportion consumption of utilities per unit of production.	

B. TECHNOLOGY ABSORPTION:
Efforts made in Technology absorption - Research & Development (R & D)

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

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

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

➤ FUTURE PLAN OF ACTION

Your Company has created a state-of-the-art R & D center and cGMP pilot facility at Bavla plant. The Company has been investing aggressively in its R & D activities to the level of 2.99% of its turnover and continue augmenting R & D capabilities & productivity through technological innovations, use of modern scientific and technological techniques, training and development.

➤ EXPENDITURE ON R & D

(Rs in Lacs)

Capital	226.17
Recurring	1161.18
Total	1387.35
Total R & D Expenditure as a percentage of Total Turnover	2.99%

➤ TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

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

C. FOREIGN EXCHANGE EARNING AND OUTGO:

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

The Exports of the Company have increased to Rs.405.14 Crores during the year from Rs.300.30 Crores during the previous year reflecting a growth of 35%, which constitute 88% of the total net sales of the Company during financial year 2011-12. The Company is exporting mainly in the Countries being 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

The particulars have been given under Note nos. "26.10" and "26.08" of Notes Forming Part of the Financial Statements.

ANNEXURE II

10

Information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

Sr. No.	Name of the Employee	Age (Years)	Designation/ Nature of Duty	Qualification	Experience (Years)	Gross Remuneration received (Rs.)	Date of Joining	Last Employment & Position held
A) Personnel who are in receipt of Remuneration aggregating not less than Rs.60,00,000 per annum and employed through out the year:								
1.	Mr. V.V.S. Murthy#	56	Chief Financial Officer	B.Com., A.C.A.	31	66,23,781	01/03/2007	Dr. Reddy's Lab. Vice President (Finance)
2.	Mrs. Deohooti J. Vyas	60	Whole-time Director	B.Sc. (Chemistry)	28	94,66,666	01/12/1997	B. R. Laboratories, Proprietress
3.	Mr. Janmejy R. Vyas	61	Chairman & Managing Director	B.Sc. (Chemistry) B.Sc. (Tech.)	38	3,51,00,000	29/06/1983	Consultant to various Pharmaceutical Co.'s during 1974 to 1983
4.	Mr. Arpit J. Vyas	26	Whole-time Director	Chemical Engineer from University of Aston	5	1,20,00,000	01/06/2009	Has been associated with Azafran Innovacion Ltd., in which he holds Directorship and handling Marketing of various herbal cosmetic products.
5.	Mr. Rajiv A. Desai	50	President (Quality)	B.Sc., M.Sc. (Org. Chemistry) & Ph.D (Science- Chemistry)	23	73,97,741	18/10/2010	Matrix Laboratories Ltd., as Vice President (Corporate Quality Assurance).
B) Personnel who are in receipt of Remuneration aggregating not less than Rs.5,00,000 per month and employed for part of the year :								
6.	Mr. Arvind A. Joshi#	56	President (H.R. & Admn.)	B.Sc.,L.L.B., M.S.W.	36	38,08,285	18/10/2007	J. B. Chemicals Ltd.Vice President (H.R.)

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.
 - The above employees mentioned at Sr. Nos. 1, 5 & 6 do not have any share in the paid-up capital of the Company.
 - Mrs. D. J. Vyas, Mr. J. R. Vyas and Mr Arpit J. Vyas mentioned at Sr. No. 2, 3, and 4 holds 10964500 (13.59%), 25414871 (31.49%) and 12359600 (15.32%) equity shares of Rs.2/- each in the Company, respectively.
 - The above employees are not relatives of any Director of the Company except Mrs. D. J. Vyas, Mr. J. R. Vyas and Mr. Arpit J. Vyas, who are Directors and relatives of each other.
- # Mr. V. V. S. Murthy and Mr. Arvind A. Joshi have resigned w.e.f. 7th April, 2012 and 31st October, 2011 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) INDUSTRY OVERVIEW:

According to IMS forecast report, after following several years of slowing growth, the global market for medicines is poised to rebound from any expected low point of 3-4% growth in 2012 to 5-7% in 2016. This growth is driven due to increase of volume of spending by pharma emerging markets and an upstick spending in developed nations. The key growth drivers also includes rising income, continued low cost of drugs, government sponsored programs specially designed to increase access to treatment by limiting patient's exposure to cost and also to encourage greater use of medicines.

As most of the big pharma companies already facing or likely to face challenges for their blockbuster products, the companies have been looking forward Merger & Acquisition and in licensing activities to make up for loss revenues that will arise with key products losing patent exclusivity. In this scenario, India, China, Brazil and other emerging markets are slowly and steadily gaining more importance and several big pharma companies are now shifting their focus to this markets.

In the past, acquisitions have played a vital role for Indian companies in establishing presence in the international market. Most of the acquisitions have either in generic segment or in the Contract Research & Manufacturing Segment ("CRAMS"). In the CRAMS space, access to new clients and technologies has been key rationale for acquisition. In the recent period, the pace at which, Indian companies have acquired international assets have slowed down considerably as preference towards forming JV/ alliances with focus on specific markets or therapy segments is gaining importance. Dishman has an advantage in CRAMS segment in India because of its non-conflicting business policies, technical capabilities and relationship built with various customers during the last 11 years. The trust and confidence of innovator companies has successfully positioned Dishman as preferred outsourcing partner. The company's order book is expanding consistently reflecting its capacity and customer confidence.

(B) BUSINESS HIGHLIGHTS (Consolidated):

(₹ in Crores)

	2011-2012	2010-2011	Growth %
Net sales & Operating Income	1124.11	1031.35	9%
Other income	12.92	13.89	-7%
Total income	1137.03	1045.24	9%
EBITDA	237.38	215.27	10%
Depreciation	76.52	68.77	11%
PBIT	160.86	146.51	10%
Interest and other Finance charges	72.94	55.73	31%
Profit before tax	87.91	90.77	-3%
Tax expense	31.15	10.76	189%
Profit after tax	56.76	80.01	-29%

During the year the turnover has gone up to Rs.1124.11 crores compared Rs.1031.35 crores resulting a growth of 9%. CRAMS segment registered a turnover of Rs.717.91 crores compared to Rs.654.72 crores during the previous year. Others segment which includes bulk drugs, intermediates, Quats and speciality chemicals and outsourced/traded goods registered growth of 8% i.e. Rs.406.20 crores during the year against Rs.376.63 crores during the previous year.

CRAMS is our largest business segment which caters to the requirements of multi national pharmaceutical companies internationally. We develop intermediates/APIs based on our customer's request. This business involves significant R&D efforts to develop the products, processes. Our wholly owned subsidiary Carbogen Amcis located in Switzerland is spearheading our R&D efforts. Around 64% of our consolidated turnover is generated from CRAMS segment.

Others segment (which includes bulk drugs, intermeidates, speciality chemicals and outsourced/trade goods) contributed around 36% of consolidated turnover in 2011- 12.

Out of Rs.1124.11 crores sales, Carbogen Amcis has accounted for sales of Rs.400.02 crores (previous year Rs.365.62 crores), Vitamin D and speciality chemicals business has accounted for sales of Rs.170.59 crores (previous year Rs.125.59 crores) and

Carbogen UK Ltd accounted for sales of Rs.31.32 crores (previous year Rs.18.45 crores). Remaining sales of Rs.522.18 crores (previous year Rs.481.18 crores) was accounted by DPCL and its trading subsidiaries.

Material costs:

Raw material consumption for the year was Rs.376.88 crores as against Rs.326.17 crores during the previous year. Inventory of raw materials decreased by Rs.9.70 crores during the year.

Work in process and finished goods increased by Rs.26.17 Crores and finished goods decreased by Rs.20.86 crores respectively.

Above increase of raw materials, work in process and finished goods are mainly due to higher sales and orders from customers.

Manufacturing expenses:

Manufacturing expenses mainly comprises of Power & Fuel Rs.42.04 crores, repairs & maintenance Rs.38.30 crores, as against Rs.34.75 crores, Rs.32.79 crores respectively during the previous year. Manufacturing expenses account for 8.64% of sales during the year as against 8.35% during the previous year. Manufacturing expenses during the year as a percentage of sales are higher due to product mix.

Employee Emoluments:

Employee emoluments (other than managerial remuneration) have increased to Rs. 294.10 crores during the year as against Rs.280.35 crores during the previous year. This increase is mainly due to salary increase given to employees and recruitment of employees to run the new facilities created at Bavla.

Administrative, Selling and Other Expenses:

Major components of administrative, selling and other expenses include rent, rates & taxes, legal & professional charges, clearing & forwarding, travelling & conveyance, insurance premium, traveling and conveyance etc. Administrative, selling and other expenses for year amounted to Rs.131.11 crores as against Rs.107.89 crores during the previous year. These expenses accounted for 11.66% sales during the year as against 10.46% during the previous year. Lower administrative and selling expenses are mainly due to less donations and cost control measures initiated by the company.

Interest and Finance charges:

Interest and Finance charges during the year have increased to Rs.72.94 crores as against Rs.55.73 crores during the previous year.

Depreciation:

Depreciation charge for the current year came to Rs.76.52 crores as against Rs.68.77 crores during the previous year. Addition to fixed assets during the year was Rs.44.44 crores as against Rs.196.17 crores during the previous year.

Change in accounting policy:

During the year, the Company has opted for the option given in the paragraph 46A of Accounting Standard – 11 “The effects of changes in Foreign Exchange Rates” inserted by the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs.

As a result:

- The exchange differences arising on restatement or settlement of long term foreign currency monetary items in so far as they relate to acquisition of a depreciable capital asset are adjusted to the cost of such asset and depreciated over the balance life of the asset
- In other cases, they have been accumulated in ‘Foreign Currency Monetary Items Translation Difference Account’ and amortized over the balance period of such long term asset/ liability but not beyond March 31, 2020 by recognition as an income and expenses in each of such periods.

Accordingly, on standalone basis, Rs.927.89 lacs has been added to the cost of the capital assets, Rs.1.42 lacs has been accumulated ‘Foreign Currency Monetary Item Translation Difference Account’ and total amortisation on such foreign currency monetary asset / liability for the year ended on 31st March 2012 is Rs.132.63 lacs

The amount remaining to be amortized in subsequent periods as at the balance sheet date is Rs.131.22 (Previous year Rs. Nil).

Provision for Tax:

Rs.26.26 crores (net of MAT entitlement) was provided during the year towards current tax as against Rs.10.99 crores during the previous year. The company has also provided Rs.4.89 crores towards deferred tax during the year as against Rs.(0.23) crores during the previous year.

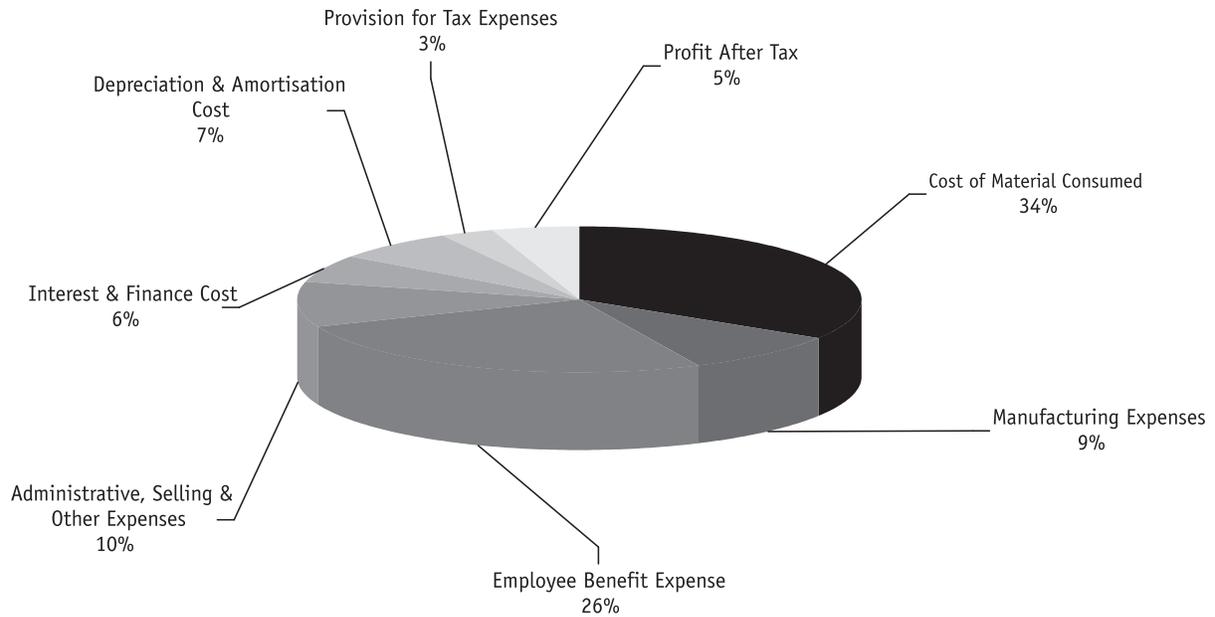
Profit after tax:

Net Profit after tax for the current year was Rs.56.76 crores as against Rs.80.01 crores during the previous year

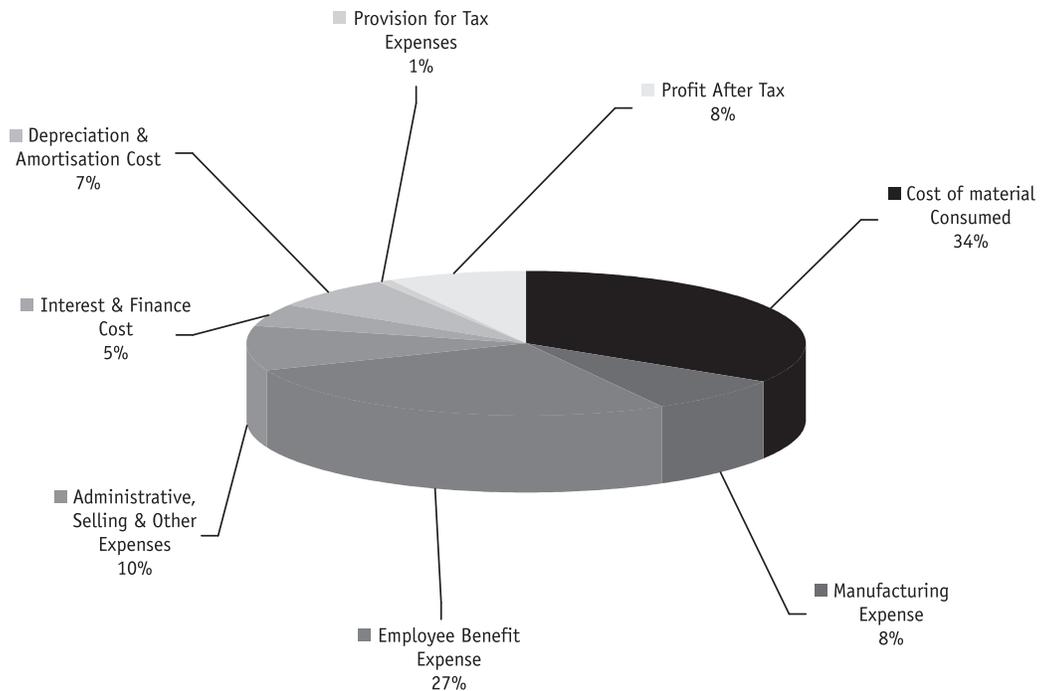
Earnings per share:

Basic earnings per share for the current year works out to Rs.7.03 as against Rs.9.92 during the previous year.

Composition of Expenses & Profit (% to Consolidated Revenue 2011-2012)



Composition of Expenses & Profit (% to Consolidated Revenue 2010-2011)



Financial condition:
i) Secured loans

Secured loans stood at Rs.810.98 crores as at 31st March, 2012 as against Rs. 771.28 crores as at 31st March, 2011.

ii) Unsecured loans:

Unsecured loans as on 31st March, 2012 were at Rs.38.63 crores as against Rs. 97.18 crores as on 31st March, 2011.

iii) Inventories:

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

(₹ in crores)		
Particulars	2011-2012	2010-2011
Raw Materials	104.98	114.68
Work in process	89.46	63.29
Finished goods	67.15	88.01

Increase in work in process and decrease in finished goods are mainly due to higher sales compared to previous year.

iv) Debtors:

Debtors as of 31st March, 2012 amounted to Rs. 186.97 crores as against Rs. 170.07 crores during the previous year. Debtors amount has gone up due to higher sales in the 4th quarter.

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

The business segments of the Company comprise the following:

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

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

(₹ in crores)			
Product Segment	31/03/2010	31/03/2011	31/03/2012
CRAMS	662.94	654.72	717.91
Others	336.12	376.63	406.21
Total	999.06	1031.35	1124.11

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

Your company has adopted various marketing strategies to continue the growth, including increase in number of clients to reduce the dependency on any single client, increase the number of products range to reduce product risk; to enter contract manufacturing through contract research of new molecules etc. and enter the specific market with marketing innovation, technology transfer in the developing markets, where technology is licensed to API manufacturer with a stipulation that the intermediates are to be procured from Dishman on a long term basis.

(D) INTERNAL CONTROL SYSTEMS:

Dishman has a comprehensive system of internal controls with the objective of safeguarding the company's assets, ensuring that transactions are properly recorded and authorized and providing significant assurance at reasonable cost, of the integrity, objectivity and reliability of financial information. Internal control review including functional audit is done every quarter by independent firm of chartered accountants. The primary objective of review by independent firm is to test the adequacy and effectiveness of internal controls and to suggest improvements. Observations and recommendations are submitted to the management and Audit Committee for their review and follow up action/guidance to operational people.

(E) RISK MANAGEMENT:

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

An effective risk management framework enhances the organization's ability to proactively address its risks and opportunities by determining a risk mitigation strategy and monitoring its progress on continuous basis.

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

Senior management personnel are part of our risk management structure. Plant level committees headed by senior management personnel meet at regular intervals to identify various risks, assess, prioritize the risks. After due deliberations, appropriate strategies are made for managing/mitigating the risks. The company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies. Audit Committee advises the Board on matters of significant concerns for redressal.

(F) OPPORTUNITIES & THREATS:

Most of the innovator companies are facing challenge of depleting research pipeline and losing patent protection for their blockbuster drugs in the next few years. 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 turnover, even when the world economy is under stress.

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. 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. Recognizing this opportunity, the company continued to take initiatives in reducing its costs by employing lean manufacturing techniques and resource management initiatives.

(G) OUTLOOK:

As per the report released by IMS Health, the Indian pharma market is forecasted to grow at a CAGR 15.9% between 2010 and 2015 and going to double in the five years to Rs.119677 crore. Past spending growth offers few clues to the level of growth to expect through 2015. Unprecedented dynamics like high level of patent expiry, rapid expansion of demand for medicines in the world's fastest growing economies, fewer new medicines reaching patients and more moderate uptake of those that do become available. These dynamics are driving rapid shift in the mix of spending between branded products and generics and between spending in the major developed countries and those 17 high growth emerging countries referred to as "pharmaemerging"

After a brief period of sluggishness, the growth momentum in the domestic formulations market appears to be back on the track. The factors like patent expiration, weak pipeline quality and increasing focus by government to reduce healthcare cost continue to exert pressure on innovator companies which supports the out sourcing to low-cost nations like India, China, Brazil etc.

On the CRAMS front, Indian players are focusing on providing service across the value chain spanning from development stage to commercial scale production. With several drug going off patent and big pharma increasing exposure to cost efficient sourcing locations, opportunities remain favorable for CRAMS players to provide services and subsequently graduate to commercial scale production.

(H) INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT:

Employees are the backbone of the organizations. The organization which values and appreciates its human resource always succeed in their goal and receive positive feeling of respect from the market.

Dishman always believe in the concept of human empowerment. It firmly believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year, your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the Company is to create culture and value system and behavioral skills to ensure achievement of its short and long-term objectives.

The company as at year-end, has 974 employees on its roll and continues to attract excellent talent both from within and outside India to further its business interests. Industrial Relations continue to be cordial.

Cautionary Statement:

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

CORPORATE GOVERNANCE REPORT

Corporate Governance and practices in accordance with the provisions of the Revised Clause 49 of the Listing Agreement :

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 achieving the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

BOARD OF DIRECTORS

1. Composition

- As on date the company has 6 Directors with an Executive Chairman on its Board. Out of these 6 Directors, 3 [50%] are Executive Directors and 3 [50%] are Non Executive & Independent Directors, who are acknowledged as leading professionals in their fields. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
- The Names and categories of the Directors on the Board, their attendance in the Board Meeting and in last Annual General Meeting, Number of other Directorship & Chairmanship/ Membership held by them in other companies during the year 2011-2012 is given below.

Name of the Director	Category	No. of Board Meeting held & attended during 2011-2012		Whether attended Last AGM held on 29th July, 2011	No. of Directorship in other Companies	No. of Chairmanship/ Membership in other Companies	
		Held	Attended			Chairman ships	Member ships
Mr. Janmejy R. Vyas	Promoter & Executive Director	4	4	Yes	14#	None	None
Mrs. Deohooti J. Vyas	Promoter & Executive Director	4	4	No	6	None	None
Mr. Arpit J. Vyas	Executive Director	4	4	Yes	3	None	None
Mr. Yagneshkumar B. Desai	Non Executive & Independent Director	4	4	Yes	2	None	2
Mr. Sanjay S. Majmudar	Non Executive & Independent Director	4	4	Yes	6	1	2
Mr. Ashok C. Gandhi	Non Executive & Independent Director	4	4	Yes	6	None	4

Including Directorship in 8 Overseas subsidiaries (Direct or Indirect) Companies.

- None of the Directors on the Board is a Member of More than 10 Committee or Chairman of more than 5 committee across all the companies in which he is a Director. Necessary disclosure regarding their Directorship/Membership in other companies has been made by each and every Director.
- Chairmanship /Membership reflects only Audit and Shareholders / Investors Grievances' Committee of other Public companies.

2. 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, Wholetime Director, of the Company.
Mrs. Deohooti J. Vyas	Wife of Mr. Janmejy R. Vyas, Chairman & Managing Director and Mother of Mr. Arpit J. Vyas, Whole-time Director, of the Company.
Mr. Arpit J. Vyas	Son of Mr. Janmejy R. Vyas, Chairman & Managing Director and Mrs. Deohooti J. Vyas, Whole-time Director, of the Company.
Mr. Yagneshkumar B. Desai	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.

3. Number and Date of Board Meetings held

- Four (4) Board Meetings were held during the year 2011-2012. The dates on which the Board meetings were held: 26th May, 2011, 28th July, 2011, 11th November, 2011 and 9th February, 2012.
- As per the requirement of Clause 49 of the Listing Agreement the Company has held one Board meeting in every quarter and the maximum time gap between any two meetings was not more than four months.
- The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

CEO AND CFO CERTIFICATION

In compliance of the Clause 49 of the Listing Agreement the Managing Director and Executive Director, Finance of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Clause 41 of the Listing agreement the Managing Director and Chief Financial Officer/Executive Director, Finance also give quarterly Certification on financial results while placing the financial results before the Board.

RISK MANAGEMENT POLICY

The Company has formulated a Corporate Policy applicable to its Indian operations and duly approved by the Board of Directors at its meeting held on 24th May, 2005 in compliance with the requirement of the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Audit Committee and Board Members are reviewing and updating the said Policy every quarter.

CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(I)(D) of the Listing Agreement. The said Code of Conduct has been posted on the Company's website www.dishmangroup.com.

AUDIT COMMITTEE

1. Composition

The Board of Directors of the Company has constituted an Audit Committee and has been reconstituted from time to time. Presently, the Audit Committee comprises qualified and independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The present composition of the Audit committee and Meetings attended by them during the financial year 2011-12 ended on 31st March, 2012, is as follow:

Name and Designation	Category	No. of the Meeting during F.Y 2011-2012	
		Held	Attended
Mr. Yagneshkumar B. Desai [Chairman]	Non Executive and Independent Director	4	4
Mr. Sanjay S. Majmudar [Member]	Non Executive and Independent Director	4	4
Mr. Ashok C. Gandhi [Member]	Non Executive and Independent Director	4	4

2. Meetings of the Audit Committee

During the financial year four [4] Meetings were held on 26th May, 2011, 28th July, 2011, 11th November, 2011 and 9th February, 2012. The maximum time gap between two meetings was not more than 4 months.

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

Mr. Y. B. Desai as, being a Chairman of the Audit Committee, attended the last Annual General Meeting held on 29th July, 2011.

3. Terms of reference and Powers of the Audit Committee

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the revised Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

Powers of the Audit Committee – The audit committee has powers that include the following:

- (a) to investigate any activity of the company within its terms of reference,
- (b) to seek information from any employee,
- (c) to obtain outside legal or other professional advice,
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

1. Composition

The Board of Directors has constituted a Shareholders' & Investors' Grievance Committee, which was reconstituted from time to time. The Committee comprises three Directors and Committee functions under the Chairmanship of an independent Director. The present composition of the Shareholders' & Investors' Grievance Committee and meetings attended by them during the financial year 2011-12 ended on 31st March, 2012, is as follow:

Name and Designation	Category	No. of the Meeting during F.Y 2011-2012	
		Held	Attended
Mr. Sanjay S. Majmudar [Chairman]	Non Executive and Independent Director	4	4
Mr. Janmejy R. Vyas [Member]	Promoter and Executive Director	4	4
Mr. Ashok C. Gandhi [Member]	Non Executive and Independent Director	4	4

2. Meetings of the Shareholders' & Investors' Grievance Committee

During the year four [4] meetings were held on 25th May, 2011, 27th July, 2011, 10th November, 2011 and 8th February, 2012.

3. Powers and Role of Committee

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

4. 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 R & T Agent namely **Link Intime India Pvt. Ltd.**, (Formerly known as Intime Spectrum Registry Limited) under the supervision and control of the Company Secretary Mr. Deepak S. Pandya, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.
- In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the Code of Conduct for Prevention of Insider Trading and Mr. Deepak S. Pandya has been appointed as the Compliance Officer for complying with the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the requirements under the Listing Agreement.

Name, Designation & Address of Compliance Officer	Mr. Deepak S. Pandya, V.P. [Legal] & Company Secretary Dishman Pharmaceuticals and Chemicals Ltd. Bhadra-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad-380009 Phone No.: [079] 26443053, Fax No. [079] 26420198 Email: deepak@dishmangroup.com
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As per the requirement of Clause 47(f) of the Listing Agreement, the Company has designated the below cited Email Id of grievances redressal division/ Compliance officer exclusively for the purpose of registering complaints by investors.

Email ID: grievance@dishmangroup.com

The Company has displayed the above cited Email Id and other relevant details on its website and other materials for creating investors awareness.

Quarter wise summary of investors complaint received and resolved to the satisfaction of the shareholders during the financial year 2011-2012

Quarter Period		Complaint position at the beginning of the Quarter	Complaint received during the Quarter	Complaint resolved during the Quarter	Complaint pending at the end of the Quarter
From	To				
01-04-2011	30-06-2011	NIL	NIL	NIL	NIL
01-07-2011	30-09-2011	NIL	9	9	NIL
01-10-2011	31-12-2011	NIL	7	7	NIL
01-01-2012	31-03-2012	NIL	2	2	NIL
TOTAL			18	18	
Complaint pending at beginning of the year			NIL		
Complaint received during the year			18		
Complaint resolved during the year			18		
Complaint pending at the end of the year			NIL		

5. Disclosure regarding Non receipt/Unclaimed share application money received by the company for allotment of equity shares during Initial Public Offer [IPO] made in 2004 and due for refund [IPO refund order] and Disclosure regarding action required for Non receipt/ unclaimed dividends:

▪ **Unclaimed IPO Refund amount transferred to IEPF**

As you are aware, your Company came out with an Initial Public Offer (IPO) of 3433500 equity shares of Rs. 10/- each at a price of Rs. 175/- each in the year, 2004. As per the provision of Section 205(c) of the Companies Act, 1956, any refund amount remained unpaid / unclaimed for a period of seven years, shall be transferred to Investor Education and Protection Fund (IEPF) set up by Central Government. No claim shall lie against the company after transferring the unclaimed / unpaid amount of refund to IEPF.

As seven years are completed on 20th April, 2011, the company has transferred the unclaimed / unpaid refund amount of Rs.2,45,000/- (Rupees Two Lacs Forty Five Thousand only) on 4th May, 2011 to IEPF set up by the Central Government after sending several reminder letters to unclaimed IPO Refund Holders.

▪ **Unclaimed Dividends**

In case of non-receipt of Dividends, shareholders are requested to contact the concerned person in writing an application letter at the following mentioned address:

Dividends for the Financial Year	Contact details	Action to be taken
2004-2005	Mr. Deepak S. Pandya V.P. [Legal] & Company Secretary Dishman Pharmaceuticals and Chemicals Limited Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380 009 Contact No.: 079-26443053 / 5807 Fax No. 079-26420198	Application on plain paper
2005-2006		
2006-2007		
2007-2008		
2008-2009		
2009-2010		
2010-2011		

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

▪ **Amount Transferred to IEPF Account**

As per the provision of Section 205C of the Companies Act, 1956, 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.

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, as the seven years completed on 28th September, 2011, the Company has transferred the unpaid or unclaimed dividend amount of Rs.12,802/-, for the financial year 2003-04, to the Investor Education and Protection Fund (IEPF) established by the Central Government on 11th October, 2011.

▪ **Due Date for transfer of Unclaimed and Unpaid Dividend to the IEPF by the Company**

Dividends for the Financial Year	Dividend payment date	Proposed date for transfer of unclaimed and unpaid dividends to IEPF*
2004-2005	1st October, 2005	30th September, 2012
2005-2006	4th July, 2006	3rd July, 2013
2006-2007	12th August, 2007	11th August, 2014
2007-2008	5th August, 2008	4th August, 2015
2008-2009	4th August, 2009	3rd August, 2016
2009-2010	3rd August, 2010	2nd August, 2017
2010-2011	2nd August, 2011	1st August, 2018

* **Indicative dates, actual dates may vary**

Note: No claims will lie against the Company or the IEPF in respect of the said unclaimed amounts when transferred to the IEPF.

▪ **Initial Public Offer [IPO] unclaimed Shares**

As you are aware, your Company came out with an IPO in the year 2004 of 3433500 equity shares of Rs.10/- each at a price of Rs.175/-. As per one of the clause of SEBI Guidelines, allotment of Shares was made only in dematerialized form, but at the time taking corporate action for the allotment of share through National Security Depository Limited and Central Security Depository Limited for crediting equity shares allotted in the IPO in their Accounts, various technical errors such as Incorrect Demat Account Number, Incorrect order of Name etc. were found. Due to that, the details of Demat Account were not matching with application form filled in and signed by the Applicant.

Initially, after the IPO, 8650 equity shares of Rs.10/- each as allotted to 173 shareholders was not credited in their respective Demat Accounts due to above-mentioned technical errors. However, after various reminders and taking necessary steps by R & T Agent and the company, at present only 250 shares of only one shareholder are stand unclaimed/non credited.

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

Particulars	At the beginning of the year	Approached for unclaimed shares during the year	Credit effected during the year	At the end of the year
No. of outstanding Shareholders	1	NIL	NIL	1
No. of outstanding unclaimed shares	250	NIL	NIL	250

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

REMUNERATION COMMITTEE:

1. Composition

The Board of Directors of the Company has constituted a Remuneration Committee, despite it being a non-mandatory requirement, which has been reconstituted from time to time. Presently the Remuneration Committee comprises following qualified and independent Directors being a member of the Committee.

- Mr. Sanjay S. Majmudar [Chairman]
- Mr. Y. B. Desai [Member]
- Mr. Ashok C. Gandhi [Member]

2. Meeting of the Remuneration Committee

During the year one [1] Remuneration Committee meeting was held on 25th May, 2011, which was attended by all the three Members.

3. Role of the Committee

- To determine the policy on specific remuneration packages for Executive/Whole- time Directors including pension rights and any compensation payments.
- Recommends to the Board the remuneration of the Executive Directors in all its forms (i.e. salary, contribution to provident fund, superannuation fund, gratuity, bonus, stock option, compensation for loss of office, other amenities, perquisites etc.).
- Takes into account the financial position of the Company, profitability, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc. and brings out objectivity in determining the remuneration package, while striking a balance between company's interest and that of the shareholders.

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

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

❖ Executive & Whole - Time Directors

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

The Details of remuneration paid to Managing and Whole-time Directors during the last financial year i.e. from 01/04/2011 to 31/03/2012, are as under :

[Rs. In Lacs]

Name & Designation of the Director	Salary/ Remuneration (p.a.)	Perquisites & Allowances	Performance Linked Bonus/ Commission	Stock Options
Mr. Janmejy R. Vyas Chairman & Managing Director	351.00	Nil	Nil	Nil
Mrs. Deohooti J. Vyas Whole-Time Director	94.67	Nil	Nil	Nil
Mr. Arpit J. Vyas Whole-Time Director	120.00	Nil	Nil	Nil

Terms of Appointment of the Managing and Whole-time Directors as per the resolutions passed in Board and General Meetings are as under :

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

Tenure : Five Years w.e.f 1st March, 2010. The period of Mr. J.R. Vyas shall not be liable for determine retire by rotation of the Directors.

Remuneration : Subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 1956, the remuneration payable to Mr. J. R. Vyas shall be 5% of the net profits of the Company, computed in the manner laid down in section 349 of the Companies Act 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 wherever applicable. The remuneration for a part of the year shall be computed on pro - rata basis.

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

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

Tenure : Five Years w.e.f. 3rd September, 2011

Remuneration : Subject to overall limit to all Managerial Personnel taken together, as laid down in the Companies Act, 1956, read with Schedule XIII thereto, Mrs. Deohooti J. Vyas shall be paid Rs.10.00 lacs (Rupees Ten Lacs only) per month and the above remuneration payable to her may comprise salary, allowances and perquisites etc. as may be determined by the Board of Directors from time to time and may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable. The remuneration for a part of the year shall be computed on pro-rata basis. The Board of Directors of the Company is authorised to increase or revise the remuneration of Mrs. D. J. Vyas subject to maximum remuneration of Rs.15. 00 lacs (Rupees Fifteen Lacs only) per month, from time to time during the tenure of said five years.

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

3. Mr. Arpit J. Vyas, Whole- Time Director

Tenure : Five Years w.e.f. 1st June, 2009.

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. A. J. Vyas shall be paid Rs.36.00 lacs (Rupees Thirty Six Lacs only) per annum 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. A. J. Vyas subject to maximum remuneration of Rs.10,00,000/- (Rupees Ten Lacs only) per month, from time to time during the tenure of said five years.

Remuneration of Mr. Arpit J. Vyas has been increased from Rs.3.00 lacs to Rs.10.00 lacs per month w.e.f. 1st June, 2010 by the Board of Directors at its meeting held on 29th May, 2010 upon the recommendation of Remuneration Committee held on 29th May, 2010.

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

❖ **Non - Executive & Independent Directors**

Payment of remuneration by way of Commission to Non-Executive Directors of the Company (Other than the Chairman & Managing Director, Managing Director and Whole-time Director) was approved by the Board of Directors at its meeting held on 22nd May, 2008 and also approved by the members of the Company by passing a special resolution at the Annual General Meeting of the Company held on 31st July, 2008 in terms of Section 309(4) of the Companies Act, 1956 and provisions of Article No.138 of the Articles of Association of the Company.

By passing a special resolution as such, Members of the Company given their consent and authorized Board of Directors for payment of commission to Non-Executive Director(s) as may be determined by the Board of Directors for each such Non-Executive Director for each financial year ending on 31st March, 2009 up to and including financial year ending on 31st March, 2013 to be calculated in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 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, subject to maximum of Rs.15.00 lacs (Rupees fifteen lacs only) in aggregate, 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.

The Board of Directors in its Meeting held on 15th May, 2012 has approved the payment of commission to Non-Executive Directors of the Company (Other than the Chairman & Managing Director and Whole-Time Director) for the financial year ending on 31st March, 2012 based on the contribution of & valuable services rendered by and expertise advice received from the Non-Executive Directors.

The details of said payment of commission to Non-Executive Directors for the financial year ending on 31st March, 2012, as approved by the Board and details of sitting fees paid to Non-Executive/ Independent Directors for attending Board Meetings and Committee Meetings, during the last financial year i.e. from 01/04/2011 to 31/03/2012, are as under:

(Rs. In lacs)

Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Yagneshkumar B. Desai	4.00	1.80
2.	Mr. Sanjay S. Majmudar	7.50	2.60
3.	Mr. Ashok C. Gandhi	3.50	2.60

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

Non-Executive Directors with materially significant related party transactions, pecuniary or business relationship with the Company :

There has 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.

Shareholding of Non-Executive Directors :

Name of Non-Executive Directors	No. of Equity Shares held	Convertible Securities held
Mr. Yagneshkumar B. Desai	Nil	Nil
Mr. Sanjay S. Majmudar	21650	Nil
Mr. Ashok C. Gandhi	150	Nil

The Company has not granted any stock options to its Directors. The Chairman of the Remuneration Committee, Mr. Sanjay S. Majmudar, was present at the last Annual General Meeting of the Company held on 29th July, 2011.

GENERAL BODY MEETING :

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

Year	Venue	Date	Time
2008-2009	Hall No. S 3-5, Ground Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	31/07/2009	9.30 a.m
2009-2010	S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	30/07/2010	9.30 a.m.
2010-2011	S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	29/07/2011	9.30 a.m.

Special Resolution passed at the Last Three AGM

One Special Resolution (without postal ballot) pertaining to appointment of Mr. Arpit J. Vyas as a Whole - time Director of the Company and payment of remuneration to him was passed in the 26th Annual General Meeting held on 31st July, 2009 .

No Special resolution was passed in the 27th Annual General Meeting held on 30th July, 2010.

Two Special Resolutions (without postal ballot) pertaining to re-appointment of Mrs. Deohooti J. Vyas (Mrs. D.J.Vyas) as a Wholetime Director of the company for a further period of 5 (Five) years including payment of remuneration to her and to increase the remuneration of Ms. Mansi J. Vyas, Management Representative (Finance) of the company were passed in the 28th Annual General Meeting held on 29th July, 2011.

Ordinary Resolution Passed at the Last Three AGM

One Ordinary Resolution passed in 26th Annual General Meeting for Appointment of Shri Janmejy R. Vyas as a Chairman & Managing Director of the Company for further period of five years w.e.f 1st March, 2010 subject to approval of Central Government.

Postal Ballot Resolution

The Company has not passed any Special Resolution last year through Postal Ballot.

There is no proposal for passing any special or ordinary resolution through Postal Ballot at the next ensuing Annual General Meeting scheduled to be held on 25th September, 2012.

DISCLOSURES:

- There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2011-12. Related party transactions have been disclosed in the Notes to the Annual Accounts of the Company for the year ended 31st March, 2012.

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

- There has been no instance of non-compliance by the company on any matter related to capital markets, during the last three years and hence no penalties or strictures have been imposed on the company by Stock Exchange(s) or SEBI or any other statutory authority.
- The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. So, far as non-mandatory requirements are concerned, at present Company has not adopted the same, however, the Company has constituted a Remuneration Committee, details of which are described at herein above.

MEANS OF COMMUNICATION:

- The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges, immediately after the same are taken on record by the Board. These results are normally published Indian Express (English edition), in Financial Express (Gujarati edition), and in Economics Times. These are not sent individually to the shareholders.
- 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.
- 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 and Corporate Governance Report are also filed electronically on NEAPS.
- 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.
- The Management Discussion and Analysis Report forms part of this Annual Report.
- 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.

GENERAL SHAREHOLDER INFORMATION:
Company Registration Details

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is : L24230GJ1983PLC006329.

29th Annual General Meeting

Date & Time : 25th September, 2012 at 9.30 a.m.

Venue : H. T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

As required under Clause 49IV(G)(i), particulars of Directors seeking appointment/re-appointment are given in Annexure to the Notice of the Annual General Meeting to be held on 25th September, 2012.

Financial Year/Calendar

Financial Year	1st April to 31st March
Financial Calendar	Results for every quarter beginning from April are being declared within 45 days from the end of each quarter as per the revised clause 41 of the listing agreement except result of last quarter i.e. quarter ending on March. The Company generally declares audited results for the whole year within the stipulated time of sixty days from the end of the each financial year, instead of unaudited result for the last quarter.

Date of Book Closure

From Saturday, the 15th day of September, 2012 to Tuesday, the 25th day of September, 2012 (both days inclusive), for determining the entitlement of the final dividend for the financial year 2011-2012.

Dividend Payment Date - On and after 28th September, 2012.

Listing on Stock Exchange
Equity Shares:

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

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

Debt Security:

The Secured Redeemable Non-Convertible Debentures (NCD) of Rs.150.00 crores issued by the Company in two tranches are also listed at Bombay Stock Exchange Ltd., Mumbai (BSE).

Annual listing fees for the year 2012-13, as applicable, have been paid to both the Stock Exchanges.

The Company has also paid Annual custodial fees for the year 2012-13, as applicable, to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Code
Equity Shares:

Bombay Stock Exchange Ltd.	532526
National Stock Exchange of India Limited	‘DISHMAN’, ‘EQ’
Demat ISIN Number in NSDL & CDSL for Equity Shares	INE353G01020

Debt Security:

Scrip Code of Debt Security listed at BSE	946679, 946680, 946681, 946682 - NCD @ 10.35% p.a. of face value of Rs.1.00 crore each. 946835, 946836 - NCD @ 9.65% p.a. of face value of Rs.10.00 lacs each.
ISIN No. of Debt Security listed at BSE	INE353G07019, INE353G07027, INE353G07035, INE353G07043 - NCD @ 10.35% p.a. of face value of Rs.1.00 crore each. INE353G07050, INE353G07068 – NCD @ 9.65% p.a. of face value of Rs.10.00 lacs each.

Debenture Trustee

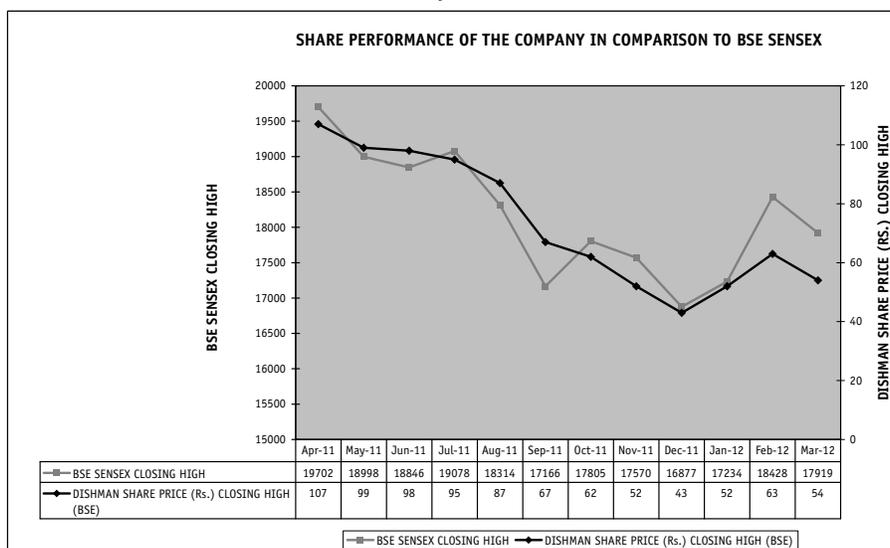
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17th R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.

Market Price Data

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

(Price in Rs. per share)

MONTH	NSE			BSE			Total Volume (NSE & BSE)
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume	
APRIL, 2011	106.75	96.65	1672483	106.50	95.90	613402	2285885
MAY,2011	97.55	88.30	1295595	98.90	88.25	520586	1816181
JUNE,2011	98.05	87.25	1289763	98.15	87.40	445114	1734877
JULY,2011	94.65	88.90	3240252	94.55	88.80	1177465	4417717
AUGUST,2011	86.95	67.25	1617893	87.15	67.65	704618	2322511
SEPTEMBER,2011	67.15	57.65	1389333	67.35	57.20	393580	1782913
OCTOBER,2011	61.45	51.95	1325609	61.55	52.55	356702	1682311
NOVEMBER,2011	51.71	42.45	1862679	51.65	42.60	790254	2652933
DECEMBER,2011	43.50	34.80	1854059	43.20	34.70	934558	2788617
JANUARY,2012	51.75	37.95	4389932	51.70	37.90	1940418	6330350
FEBRUARY,2012	62.20	49.15	7684228	62.80	50.85	3240234	10924462
MARCH,2012	53.35	44.85	4119769	53.80	44.60	1550915	5670684

Performance in comparison to BSE Sensex:

Distribution Schedule & Share holding Pattern
Distribution of Shareholding Pattern as on 31st March, 2012

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1 - 500	25622	88.37	3384881	4.1945
501 - 1000	1755	6.053	1400844	1.7359
1001 - 2000	861	2.9696	1299535	1.6104
2001 - 3000	262	0.9036	674809	0.8362
3001 - 4000	120	0.4139	429475	0.5322
4001 - 5000	75	0.2587	354118	0.4388
5001 - 10000	150	0.5173	1078971	1.3372
10001 and Above	149	0.5139	72074503	89.3148
Total	28994	100.0000	80697136	100.0000

Shareholding pattern

Sr. No.	Category	As on March 31, 2012		As on March 31, 2011	
		No. of Shares held	% of Holding	No. of Shares Held	% of Holding
1	Promoters	49513440	61.36	49388412	61.20
2	Mutual Fund & UTI	3040243	3.77	4737999	5.87
3	Bank, Financial Institutions (FI's), Insurance Companies	2125091	2.63	2104881	2.61
4	Foreign Institutional Investors (FII's)	2651961	3.29	6519172	8.08
5	Private Bodies Corporate	12834797	15.90	12121711	15.02
6	Indian Public	9338509	11.57	5035388	6.24
7	Any Other				
	a) Non Resident Indian	647008	0.80	497165	0.62
	b) Clearing Members	546087	0.68	292408	0.36
	Total	80697136	100.00	80697136	100.00

Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31st March, 2012, 80696740 equity shares of the Company, forming 99.99% of the Company's paid-up equity share capital, is in dematerialized form. Company's shares are easily traded on both the stock exchanges i.e. BSE and NSE.

Corporate Benefits to Investors - Last Ten years' dividend track record of the Company:

Financial Year	Dividend (%)	Div. Amount(Rs. in lacs)	Dividend per Share (in Rs.)
2001-2002	5 (Interim)	51.50	0.50*
2002-2003	5	51.50	0.50*
2003-2004	20	274.67	2.00*
2004-2005	25	343.34	2.50*
2005-2006	35	481.56	0.70
2006-2007	50	762.65	1.00
2007-2008	50	806.97	1.00
2008-2009	60	968.37	1.20
2009-2010	60	968.37	1.20
2010-2011	60	968.37	1.20

* Shares of face value of Rs.10/- per share.

Note: For the financial year 2011-12, Directors of the Company has been recommended a final dividend @ 60% on the paid-up equity share capital of the Company (Rs. 1.20/- per share) subject to shareholders' approval at the ensuing Annual General Meeting.

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

The Company has not issued any GDRs/ADRs/Warrants in the past. However, in August 2005, the Company has issued 0.50% US\$ 50,000,000 Unsecured Foreign Currency Convertible Bonds (FCCBs) due 2010, convertible into Equity Shares of the Company at the option of the Bondholders. As per the terms of the said FCCBs outstanding FCCBs of US\$ 2.50 million were redeemed on maturity i.e. on 19th August, 2010 and as on date there is no outstanding FCCBs.

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.

(Formerly known as Intime Spectrum Registry Limited)

Registered Office:

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Tel. No. 91-22-2596 3838, Fax No. : 91-22-2594 6969, Email: mumbai@linkintime.co.in

Branch Offices:

Ahmedabad

Unit 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G.Road, Ahmedabad – 380009
Tel No. 079-26465179 Email: ahmedabad@linkintime.co.in

Bangalore

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

Coimbatore

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

Kolkata

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

New Delhi

A-40, 2nd floor, Naraina Industrial Area, Phase-II, Near Batra Banquet hall, New Delhi - 110 028
Tel:011-41410592/93/94, Fax: 011-41410591 Email: delhi@linkintime.co.in

Pune

Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001
Tel : 020-26051629, 26050084, Fax: 020-26053503 Email : pune@linkintime.co.in

Vadodara

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

Share Transfer System

All the shares related work is being undertaken by our R & T Agent, **Link Intime India Pvt. Ltd.**, Mumbai (Formerly known as Intime Spectrum Registry Limited). To expedite the process of share transfer, transmission, split, consolidation, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's R & T Agent under the supervision and control of the Company Secretary Mr. Deepak S. Pandya, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Shareholders' & Investors' Grievance Committee.

Shares lodged for transfer at the R & T Agent's address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/shareholders grievances are also taken-up by our R & T Agent.

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

Plant Location
Naroda Plant :

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

Bavla Plant :

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

Address of the Correspondence

Investors Correspondence for transfer / dematerialization of shares and any other query relating to the shares/debentures of the company.	Link Intime India Pvt Ltd [Formerly known as Intime spectrum Registry Limited] C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup [West], Mumbai –400078 Tel. No. 91-22-2596 3838, Fax No.: 91-22-2594 6969, Email: mumbai@linkintime.co.in
Any Query on Payment of Dividend on shares and Annual Report.	Secretarial Department, Dishman Pharmaceuticals and Chemicals Limited Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380 009. Phone No.: 91-79-26443053 Fax No.: 91-79-26420198 Email: grievance@dishmangroup.com

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 Shareholders' & Investors' Grievance Committee and Meeting of Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

Auditors' Certificate on Corporate Governance

To,

The Members

Dishman Pharmaceuticals and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by **Dishman Pharmaceuticals and Chemicals Limited** ('the Company'), for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells**

Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah

Partner

(Membership No.35701)

Ahmedabad, July 31, 2012

AUDITORS' REPORT**TO THE MEMBERS OF****DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED**

1. We have audited the attached balance sheet of **DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED** ("the Company") as at March 31, 2012, the statement of profit and loss and the cash flow statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have 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 and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, July 31, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of **Dishman Pharmaceuticals and Chemicals Limited** for the year ended on March 31, 2012)

1. The nature of the Company's activities and other relevant facts are such that item (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
2. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets were physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. (a) As informed to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on physical verification of the inventories between the physical stocks and the book records were not material.
4. (a) The Company has granted unsecured loan to a company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of the loan granted was ₹ 3800 lacs.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
(c) In respect of the loan given by the Company, the terms of repayment of principal and interest have not been stipulated and hence the question of overdue amount does not arise.
(d) The Company has not taken any unsecured loan from company, firm or party listed in the register maintained under section 301 of the Companies Act, 1956. Hence, the paragraphs 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. We have not observed any continuing failure to correct major weaknesses in such internal control system.
6. In respect of contracts or arrangements required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
(a) Particulars of contracts or arrangements have been so entered.
(b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
9. We have broadly reviewed the books of account maintained by the Company pursuant to the notification of the Central Government for maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956 and on the basis of such review, we are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
10. In respect of statutory dues:
(a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, wealth tax, service tax, custom duty, cess and other material statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.

- (b) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No.	Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
1	The Income Tax Act, 1961	Income Tax	3352.80	F.Y. 1999-00, F.Y. 2000-01, F.Y. 2001-02 F.Y. 2004-05, F.Y. 2005-06 F.Y. 2006-07	Income Tax Appellate Tribunal
			75.24	F.Y. 2002-03, F.Y. 2003-04	Hon. High Court of Gujarat
			1186.51	F.Y. 2002-03, F.Y. 2003-04, F.Y. 2007-08	The Commissioner of Income Tax (Appeals)
2	The Central Excise Act, 1944	Excise duties and service tax	10.01	F.Y. 2003-04	Hon. High Court of Gujarat
			143.48	F.Y. 2005-06, F.Y. 2006-07, F.Y. 2008-09, F.Y. 2009-10, F.Y. 2010-11, F.Y. 2011-12	Central Excise and Service Tax Appellate Tribunal
			2.40	F.Y. 2008-09, F.Y. 2009-10, F.Y. 2011-12	The Commissioner (appeals) Central Excise
			244.69	F.Y. 2006-07, F.Y. 2009-10	Assistant Commissioner Central Excise
3	Central Sales Tax Act, 1956	Sales Tax	24.42	F.Y. 2001-02	Joint Commissioner, Commercial Tax
			118.81	F.Y. 2006-07	Gujarat VAT Tribunal
4	Gujarat Sales Tax, Act	Sales Tax	6.89	F.Y. 2001-02	Joint Commissioner, Commercial Tax
			283.84	F.Y. 2006-07, F.Y. 2007-08	Gujarat VAT Tribunal

11. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank or to the debenture holders *except for delay in cases mentioned below* :

	Amount (₹ In Lacs)	Delay in number of days
From a Bank	999.38	6
	33.48	46
	1467.14	75
	1000.00	17

13. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
14. The Company has given guarantees for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
15. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term investment.
17. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
18. In our opinion and according to the information and explanations given to us, as the Company has not issued any debentures during the year, the provisions of paragraph 4 (xix) of CARO are not applicable to the Company.
19. The Company has not raised any money by way of public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, July 31, 2012

Balance Sheet as at 31 March, 2012

Particulars	Note No.	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,613.94	1,613.94
(b) Reserves and surplus	4	65,880.41	62,524.01
		67,494.35	64,137.95
2 Non-current liabilities			
(a) Long-term borrowings	5	30,168.36	30,890.89
(b) Deferred tax liabilities (net)	26.12	3,148.05	2,976.65
(c) Other long-term liabilities	6	4,930.18	3,500.08
(d) Long-term provisions	7	443.35	471.58
		38,689.94	37,839.20
3 Current liabilities			
(a) Short-term borrowings	8	12,800.75	17,964.53
(b) Trade payables	9	8,492.61	11,900.63
(c) Other current liabilities	10	15,486.76	9,228.11
(d) Short-term provisions	11	1,334.64	1,228.97
		38,114.77	40,322.23
TOTAL		144,299.06	142,299.38
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.A	46,473.45	48,049.85
(ii) Intangible assets	12.B	558.87	627.43
(iii) Capital work-in-progress		25,734.02	19,895.58
		72,766.33	68,572.86
(b) Non-current investments	13	18,705.69	18,714.05
(c) Long-term loans and advances	14	19,898.62	23,295.28
(d) Other non-current assets	15	252.72	242.98
		38,857.03	42,252.31
2 Current assets			
(a) Inventories	16	11,912.65	12,424.50
(b) Trade receivables	17	9,645.94	12,696.76
(c) Cash and cash equivalents	18	645.17	431.35
(d) Short-term loans and advances	19	10,471.94	5,921.60
		32,675.69	31,474.21
TOTAL		144,299.06	142,299.38
See accompanying notes forming part of the financial statements		1 to 26	
As per our report of even date attached. For Deloitte Haskins & Sells Chartered Accountants Gaurav J Shah Partner Ahmedabad Date : 31st July, 2012		For and on behalf of the Board of Directors (J. R. Vyas) Chairman & Managing Director (D. J. Vyas) Whole Time Director (D. S. Pandya) VP (Legal) & Company Secretary Ahmedabad Date : 31st July, 2012	

Statement of Profit and Loss for the year ended 31 March, 2012

Particulars	Note No.	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
1 Revenue from operations	20	46,902.85	42,620.44
Less: Excise duty		562.79	538.65
Net Revenue from operations		46,340.06	42,081.79
2 Other income	21	1,177.17	1,458.64
3 Total revenue (1+2)		47,517.23	43,540.43
4 Expenses			
(a) Cost of materials consumed	22.a	17,177.63	16,255.22
(b) Purchases of stock-in-trade	22.b	1,298.31	6,583.63
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.c	1,048.34	(1,780.93)
(d) Employee benefits expense	23	4,522.38	4,709.56
(e) Finance costs	24	5,754.43	4,053.17
(f) Depreciation and amortisation expense	12.C	3,166.41	2,800.67
(g) Other expenses	25	7,797.87	6,065.16
Total expenses		40,765.37	38,686.49
5 Profit before tax (3-4)		6,751.86	4,853.92
6 Tax expense:			
(a) Current tax expense for current year		2,096.89	987.18
(b) Less :- MAT credit Entitlement		—	408.55
(c) Net current tax expense		2,096.89	578.63
(d) Deferred tax		171.40	262.80
		2,268.29	841.43
7 Profit for the year (5 - 6)		4,483.57	4,012.49
8 Earnings per share (of ₹ 2.00/- each):			
(a) Basic	26.12	5.56	4.97
(b) Diluted	26.12	5.56	4.97

See accompanying notes forming part of the financial statements

1 to 26

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Ahmedabad

Date : 31st July, 2012

For and on behalf of the Board of Directors**(J. R. Vyas)**

Chairman & Managing Director

(D. J. Vyas)

Whole Time Director

(D. S. Pandya)

VP (Legal) & Company Secretary

Ahmedabad

Date : 31st July, 2012

Cash Flow Statement for the year ended on March 31, 2012

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Profit and Loss Account	6,751.86	4,853.94
Adjustments for :		
Depreciation and Amortisation	3,166.41	2,800.67
Loss / (Gain) on foreign exchange fluctuations	(131.22)	48.60
Interest Expense	5,512.75	3,997.03
Interest Income	(1,089.69)	(1,430.34)
Dividend Income	(0.33)	(28.31)
Sundry Balance Written Off (Net)	—	0.16
Loss/ (Gain) on sale of Investments	(87.14)	—
Loss on sale of Fixed Assets (Net)	36.31	29.40
Provision for doubtful debts and advances	310.36	—
	7,717.45	5,417.21
Operating profit before working capital changes	14,469.31	10,271.16
Adjustments for :		
Trade Receivables	2,459.47	(6,151.82)
Inventories	511.85	(2,449.22)
Loans and Advances	(2,597.67)	2,491.01
Trade Payables and Provisions	10,887.42	8,603.53
	11,261.07	2,493.50
Cash Generated From Operations	25,730.37	12,764.66
Taxes paid	(758.55)	(975.32)
Net Cash From Operating Activities	24,971.83	11,789.34
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,394.03)	(19,751.17)
Investment of Subsidiaries	(29.96)	(514.83)
Sale of Fixed Assets	20.22	28.91
Proceeds from sale of long term investment	125.46	—
Share Application Money Pending Allotment	(2,038.03)	(297.13)
Dividend Received	0.33	28.31
Interest Received	1,089.69	1,430.34
Net Cash used in Investing Activities	(5,226.30)	(19,075.57)

Cash Flow Statement for the year ended on March 31, 2012

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium paid on redemption of FCCB	—	(345.04)
Proceeds from Long Term Loans	(12,893.23)	3,732.98
Inter-Corporate Deposits Repaid	(0.28)	—
Proceeds from Short Term Loans (Net)	—	9,037.28
Repayment towards Unsecured Loan	—	(9.61)
Interest Paid	(5,512.75)	(3,997.03)
Dividend Paid	(968.37)	(968.37)
Dividend Tax Paid	(157.09)	(160.83)
Net Cash Generated from Financing Activities	(19,531.71)	7,289.38
Net changes in Cash & Cash Equivalents (A+B+C)	213.81	3.15
Cash and Cash Equivalents at the beginning of the year	431.35	428.20
Cash and Cash Equivalents at the end of the year	645.17	431.35

Notes:-

- The Company had undrawn borrowing facilities of ₹ 2,534.37 lacs (Previous Year ₹ 3,021.89 lacs) at the end of the year.
- Cash and Cash Equivalents include deposits with banks of ₹ 353.17 lacs (Previous Year ₹ 327.00 lacs) of margin money, which amount is not available for immediate use.
- Interest paid is inclusive of, and purchase of fixed assets is exclusive of interest capitalised ₹ 153.84 lacs (Previous Year ₹ 559.91 lacs).

As per our report of even date attached.

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner

Ahmedabad
Date : 31st July, 2012

For and on behalf of the Board of Directors

(J. R. Vyas) Chairman & Managing Director

(D. J. Vyas) Whole Time Director

(D. S. Pandya) VP (Legal) & Company Secretary

Ahmedabad
Date : 31st July, 2012

Notes forming part of the financial statements
3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised Equity shares of ₹2.00 each with voting rights	100,000,000	2,000.00	100,000,000	2,000.00
(b) Issued Subscribed and fully paid up Equity shares of ₹2.00 each with voting rights	80,697,136	1,613.94	80,697,136	1,613.94
	80,697,136	1,613.94	80,697,136	1,613.94
Total		1,613.94		1,613.94

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights Year ended 31 March, 2012			
- Number of shares	80,697,136	—	80,697,136
- Amount (₹ in lacs)	1,613.94	—	1,613.94
Year ended 31 March, 2011			
- Number of shares	80,697,136	—	80,697,136
- Amount (₹ in lacs)	1,613.94	—	1,613.94

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Shri Janmejy R Vyas	25,414,871	31.49	25,289,843	31.34
Shri Arpit J. Vyas	12,359,600	15.32	12,359,600	15.32
Smt. Deohooti J Vyas	10,964,500	13.59	10,964,500	13.59
HDFC Standard Life Insurance Company Ltd.	5,626,488	6.97	5,598,819	6.94

(iii) The Company has issued only one class of shares referred to as equity shares having a par value of ₹ 2.00. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets.

(iv) The amount of per share dividend recognised as distributions to equity shareholders during the year ended March 31, 2012 is ₹ 1.20 (previous year: ₹1.20), subject to approval by shareholders in the ensuing annual general meeting.

4 Reserves and surplus

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Securities premium account		
Opening balance	24,755.20	24,798.43
Less : Utilised during the year for: Premium on redemption of FCCB's	—	43.23
Closing balance	24,755.20	24,755.20
(b) Debenture redemption reserve		
Opening balance	1,875.00	625.00
Add: Additions during the year Transferred from surplus in Statement of Profit and Loss	1,250.00	1,250.00
Closing balance	3,125.00	1,875.00
(c) Revaluation reserve		
Opening balance	172.55	174.22
Less: Utilised for set off against depreciation	1.67	1.67
Closing balance	170.88	172.55
(d) General reserve		
Opening balance	33,288.80	28,288.80
Add: Transferred from surplus in Statement of Profit and Loss	2,500.00	5,000.00
Closing balance	35,788.80	33,288.80
(e) Surplus in Statement of Profit and Loss		
Opening balance	2,432.45	5,795.42
Add: Profit for the year	4,483.57	4,012.49
Less: Dividend		
Dividends proposed to be distributed to equity shareholders (₹ 1.20 per share)	968.37	968.37
Tax on dividend	157.09	157.09
Transferred to:		
General reserve	2,500.00	5,000.00
Debenture redemption reserve	1,250.00	1,250.00
Closing balance	2,040.56	2,432.45
Total	65,880.41	62,524.01

5 Long-term borrowings

Particulars		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Redeemable Non-Convertible Debentures			
Secured	See Note (i)	15,000.00	15,000.00
		15,000.00	15,000.00
(b) Term loans			
From banks			
Secured	See Note (ii)	8,103.48	8,371.25
Unsecured		—	190.48
		8,103.48	8,561.72
From other parties			
Secured	See Note (iii)	6,459.69	6,690.00
Unsecured	See Note (iii)	545.47	545.47
		7,005.16	7,235.47
(f) Long-term maturities of Hire purchase obligations			
Secured	See Note (iv)	59.73	93.69
		59.73	93.69
Total		30,168.36	30,890.89

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Note (i)			
10.35% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures First Trench issued in February, 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 10.35% p.a. and are redeemable @ 20% each in the 4th and 5th year and 30% each in the 6th and 7th year from the date of allotment.	7,500.00	7,500.00
9.65% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures-Second Trench issued in June 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 9.65% p.a. and are redeemable @ 50% each in the 4th and 5th year from the date of allotment.	7,500.00	7,500.00
		15,000.00	15,000.00
Note (ii)			
Industrial Development Bank of India Limited (IDBI)	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in quarterly installments of ₹ 175.00 lacs ending on March-2013.	—	700.00
Indus Ind Bank	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Installment of ₹ 295.62 lacs ending on April 2014.	1,200.59	2,383.56
Bank Of Maharashtra	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Quarterly Installment of ₹125.00 Lacs ending on March - 2014.	498.14	1,000.00
Exim Bank	Secured Term Loan is secured by first pari-passu charge on the fixed assets of the Company located at Bavla and the second pari-passu charge on the current assets of the Company. Repayable in instalment of ₹ 250.00 lacs every quarter starting from Feb. 2014 ending on Aug. 2018.	3,750.00	—
Development Bank of Singapore	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in quarterly equal installments of ₹286.00 lacs starting from May 2012 ending on May 2015.	2,575.80	3,261.38
Standard Chartered Bank	The Term Loan is secured by first charge on the fixed assets of the Naroda EOU plant of Company located at Plot No. 1216/24 to 27 and 1216/11, Pharse IV, GIDC Estate, Naroda, Ahmedabad. Repayable in monthly installments of ₹78.95 lacs ending on April 2013.	78.94	1,026.31
HDFC Bank Ltd.	Unsecured loans. Repayable by Monthly Installment of ₹47.62 lacs ending on July 2012.	—	190.48
		8,103.48	8,561.72

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Note (iii)			
International Finance Corporation	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in half yearly equal installments of ₹587.00 lacs starting from May-12 and ending on May-18.	6,459.69	6,690.00
Life Insurance Corporation of India	Unsecured loans. Availed on the Keyman insurance policies of the key personnel of the Company	545.47	545.47
		7,005.16	7,235.47
Note (iv)			
Kotak Mahindra Primus Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	—	5.93
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	26.09	87.77
HDFC Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	33.63	—
		59.73	93.69
Total Long Term Borrowings		30,168.36	30,890.89

(v) Details of long-term borrowings guaranteed by a director:

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Term loans from banks	—	190.48

(vi) For the current maturities of long-term borrowings, refer item (i) (a) in Note 10 Other current liabilities.

6 Other long-term liabilities

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Others:		
Payables on purchase of fixed assets	4,930.18	3,500.08
Total	4,930.18	3,500.08

7 Long-term provisions

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	125.37	102.28
(ii) Provision for gratuity (net) (Refer Note 26.17)	317.98	369.29
Total	443.35	471.58

8 Short-term borrowings

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Loans repayable on demand		
From banks		
Secured	8,313.48	9,483.69
Unsecured	257.87	283.04
	8,571.35	9,766.73
(b) Short Term Loans from Banks		
Secured	1,459.40	1,018.38
Unsecured	2,770.00	7,179.42
	4,229.40	8,197.80
Total	12,800.75	17,964.53

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Loans repayable on demand from banks:			
Corporation Bank	Hypothecation of Inventories, collateral security of	627.21	2,356.08
Bank Of Baroda	book debts, first charge on Company's fixed asset at	2,880.11	2,162.40
Bank Of India	Naroda DTA plant located at Plot No. 1216/12,1216/	1,369.67	2,150.58
State Bank Of India	20 to 23, Pharse IV, and Plot No. 67, Phase I, GIDC	3,436.49	2,814.62
	Estate, Naroda , Ahmedabad unit and second		
	charge on fixed asset at Bavla.		
HDFC Bank	Unsecured	257.87	283.04
Total- Loans repayable on demand from banks:		8,571.35	9,766.73
Short Term Loans from Banks			
Standard Chartered Bank	First Charge on Company's fixed asset at Naroda EOU	1,459.40	1,018.38
	plant situated at Plot No. 1216/24 to 1216/27 and		
	1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad.		
ICICI Bank	Unsecured	2,500.00	—
IndusInd Bank	Unsecured	270.00	1,221.00
Citi Bank	Unsecured	—	1,000.00
Corporation Bank	Unsecured	—	500.00
Yes Bank	Unsecured	—	1,458.42
Bank Of India	Unsecured	—	1,000.00
Royal Bank of Scotland	Unsecured	—	2,000.00
Total Short Term Loans from Banks:		4,229.40	8,197.80

(ii) Details of short-term borrowings guaranteed by a director:

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Loans repayable on demand from banks	257.87	283.04
Short Term Loans from Banks	270.00	1,221.00

9 Trade payables

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Trade payables: Other than Acceptances	8,492.61	11,900.63
Total	8,492.61	11,900.63

10 Other current liabilities

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Current maturities of long-term debt	5,924.73	7,272.14
(b) Interest accrued but not due on borrowings	303.20	266.24
(c) Interest accrued and due on borrowings	—	39.36
(d) Unpaid dividends	2.99	1.96
(e) Other payables		
(i) Statutory remittances	99.86	67.04
(ii) Advances from customers	8,160.43	841.68
(iii) Provision for Directors Remuneration	217.11	—
(iv) Employee related provisions	416.14	454.81
(v) Others	362.30	284.89
Total	15,486.76	9,228.11

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Note (i):-			
(a) Term loans			
From banks			
Bank of India	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future and further secured by pledge of the shares of Company held/to be held in wholly owned subsidiary in China, namely Dishman Pharmaceuticals and Chemicals (Shanghai) Co. Ltd.	—	2,020.47
Secured Loans from others	Refer Notes (ii), (iii) and (iv) in Note 5 - Long-term borrowings for details of security and guarantee.	5,728.16	3,773.36
Unsecured Loans from HDFC Bank Ltd	See note (ii) below	190.48	1,471.43
		5,918.64	7,265.26
From other parties			
Secured		5.93	6.60
		5.93	6.60
(b) Loans and advances from related parties (Refer Note 26.18)			
Unsecured		0.17	0.28
		0.17	0.28
Total		5,924.73	7,272.14

(ii) Details of long-term borrowings guaranteed by a director:

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Term loans from banks	190.48	1,471.43

11 Short-term provisions

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for bonus	53.24	54.23
(ii) Provision for compensated absences	11.57	22.15
(iii) Provision for gratuity (net) (Refer Note 26.17)	104.67	27.13
	169.48	103.51
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 6844.39 lacs (As at 31 March, 2011 ₹ Nil))	39.70	—
(ii) Provision for proposed equity dividend	968.37	968.37
(iii) Provision for tax on proposed dividends	157.09	157.09
	1,165.16	1,125.46
Total	1,334.64	1,228.97

12 Fixed assets

₹ in Lacs

A. Tangible assets	Gross block (At Cost)				Accumulated depreciation				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
(a) Land										
Freehold	243.07	—	—	243.07	—	—	—	—	243.07	243.07
Leasehold	10,778.10	—	—	10,778.10	—	—	—	—	10,778.10	10,778.10
(b) Buildings										
Own use	7,333.42	47.12	—	7,380.55	1,131.55	242.20	—	1,373.75	6,006.80	6,201.87
(c) Plant and Equipment										
Owned	32,877.22	1,050.59	20.58	33,907.23	9,046.71	2,096.50	17.55	11,125.66	22,781.56	23,830.51
(d) Furniture and Fixtures										
Owned	813.95	3.72	—	817.67	345.48	49.58	—	395.06	422.61	468.47
(e) Vehicles										
Owned	921.03	165.88	86.12	1,000.78	287.41	103.73	33.41	357.73	643.05	633.62
(f) Office equipment & Computer & Printers										
Owned	863.64	8.82	—	872.45	637.28	32.22	—	669.51	202.95	226.35
(h) Electric Installations										
Owned	4,343.60	60.54	1.87	4,402.27	771.34	207.78	1.08	978.04	3,424.23	3,572.26
(i) Laboratory Equipments										
Owned	3,022.91	55.99	—	3,078.90	927.31	180.50	—	1,107.82	1,971.09	2,095.60
Total Tangible Assets (A)	61,196.94	1,392.66	108.57	62,481.03	13,147.09	2,912.52	52.04	16,007.58	46,473.45	48,049.85
B Intangible assets										
(a) Computer software	361.46	1.71	—	363.17	145.83	54.55	—	200.38	162.79	215.63
(b) Copyrights, patents and other intellectual property rights, services and operating rights	905.17	185.29	—	1,090.46	493.37	201.01	—	694.38	396.07	411.80
Total Intangible (B)	1,266.63	186.99	—	1,453.63	639.20	255.56	—	894.76	558.87	627.43
Total Fixed Assets (A+B)	62,463.57	1,579.65	108.57	63,934.65	13,786.29	3,168.08	52.04	16,902.34	47,032.31	48,677.28
Previous year	46,417.97	16,153.97	108.37	62,463.57	11,033.93	2,802.42	50.06	13,786.29	48,677.28	

C. Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2012 ₹ in lacs	For the year ended 31 March, 2011 ₹ in lacs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	2,912.52	2,566.36
Depreciation and amortisation for the year on intangible assets as per Note 12 B	255.56	235.98
Less: Utilised from revaluation reserve	1.67	1.67
Depreciation and amortisation relating to continuing operations	3,166.41	2,800.67

Notes:

(i) Details of assets acquired under hire purchase agreements:

Particulars	Gross block		Net block	
	31 March, 2012 ₹ in lacs	31 March, 2011 ₹ in lacs	31 March, 2012 ₹ in lacs	31 March, 2011 ₹ in lacs
Cars	230.90	124.57	192.69	107.53
Staff Bus	120.05	84.91	107.66	82.15

(ii) Additions to fixed assets includes:

- (a) Loss of ₹ Nil on account of exchange differences pertaining to long term foreign currency monetary liabilities. (Previous year Gain ₹ 62.06 lacs)

(iii) Capital Work in Progress includes:

- (a) ₹ 153.84 lacs on account of borrowing cost on borrowings for qualifying assets. (Previous Year ₹ 559.91 lacs)
- (b) Loss of ₹ 927.89 lacs on account of exchange differences pertaining to long term foreign currency monetary liabilities. (Previous year Gain ₹ 363.36 lacs)

13 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total ₹ in lacs	Quoted	Unquoted	Total ₹ in lacs
Investments (At cost):						
Non-Trade						
Other investments						
Investment in equity instruments						
(i) of subsidiaries						
Dishman Europe Ltd (Face Value of GBP 1/- each fully paid up)		159,000	105.47	159,000		105.47
Dishman Australasia Pty Ltd (Face Value of AUD 1/- each fully paid up)		100,000	38.05	100,000		38.05
Dishman International Trade (Shanghai) Co. Ltd. (No. of Shares not specified)		1	87.86	1		87.86
Dishman FZE (Face value of UAE Dhiram 1 million each fully paid up)		—	—	1		125.46
Dishman USA Inc. (Face value of US\$ 1/- each fully paid up)		300,000	136.20	300,000		136.20
Dishman Switzerland Ltd. (Face value of CHF 1/- each fully paid up)		1,030,000	357.30	1,030,000		357.30
Dishman Pharma Solutions AG (Face value of CHF 1/- each fully paid up) (Refer Note (i) below)		28,000,000	10,507.50	28,000,000		10,507.50
Dishman Pharma & Chemical (Shanghai) Co. Ltd (No. of shares not specified)		1	4,169.54	1		4,169.54
Dishman Japan Ltd (Face value of JPY 50,000/- each fully paid up)		2,536	506.37	2,536		506.37
Dishman Middle East (FZE) (Face value of AED 9,50,000 each fully paid up)		1	114.92	—		—
Dishman Care Ltd. (Face value of ₹ 10/- each fully paid up)		50,000	5.00	50,000		5.00
Cabogen-Amcis (India) Limited (Face value of ₹ 10/- each fully paid up)		50,000	5.00	50,000		5.00
(ii) of associates						
Bhadr-Raj Holdings Pvt Ltd (Face value of ₹ 10/- each fully paid up)		4,000	0.40	4,000		0.40
(iii) of joint venture companies						
CAD Middle East Pharmaceuticals Ind LLC (Face value of SAR 1000/- each fully paid up)		21,900	2,481.07	21,900		2,481.07
Dishman Arabia Ltd (Face value of SAR 1000/- each fully paid up)		1,250	147.74	1,250		147.74
Schutz Dishman Biotech Limited (Face value of ₹ 10/- each fully paid up)		334,980	33.50	334,980		33.50
(iv) of other entities						
Nutan Nagrik Sahkari Bank Limited (Face value of ₹ 25/- each fully paid up)		6,244	1.56	6,244		1.56
B R Laboratories Ltd (Face value of ₹ 10/- each fully paid up)		130	0.01	130		0.01
Nami Trading FZ LLC (Face value of AED 1000/- each fully paid up)		15	2.18	—		—
Dishman Infrastructure Ltd. (Face value of ₹ 10/- each fully paid up)		50,000	5.00	50,000		5.00
Stuti(Ambawadi) Owners' Association (Face value of ₹ 100/- each fully paid up)		30	0.03	30		0.03
Bank of India (Face value of ₹ 10/- each fully paid up)	2,100	—	0.95	2,100	—	0.95
Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (Face value of ₹ 50/- each fully paid up)		50	0.03	50		0.03
Total			18,705.69			18,714.05
Less: Provision for diminution in value of investments			—			—
Total of Non Current Investments			18,705.69			18,714.05
Aggregate amount of quoted investments			0.95			0.95
Aggregate market value of listed and quoted investments			7.58			9.98
Aggregate amount of unquoted investments			18,704.74			18,713.10

Note (i) The Company has pledged its 28,000,000 (Twenty Eight Millions) equity shares of Dishman Pharma Solutions AG, Switzerland with ICICI Bank UK, Plc, Frankfurt Branch as security against loan availed by its subsidiary company, Dishman Pharma Solutions, AG.

14 Long-term loans and advances

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Capital advances		
Unsecured, considered good	7,147.22	10,465.71
Doubtful	310.36	—
	7,457.58	10,465.71
Less: Provision for doubtful advances	310.36	—
	7,147.22	10,465.71
(b) Security deposits		
Unsecured, considered good	309.87	319.60
	309.87	319.60
(c) Loans and advances to related parties		
Unsecured, considered good	8,716.68	7,789.27
	8,716.68	7,789.27
(d) Advance income tax (As at 31 March, 2011 Net of Provision for Tax of ₹ 5447.42 lacs) - Unsecured, considered good	—	638.87
(e) MAT credit entitlement - Unsecured, considered good	2,084.81	2,742.84
(f) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	1,640.05	1,338.99
Total	19,898.62	23,295.28

15 Other non-current assets

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Others		
(i) Insurance claims	121.50	242.98
(ii) Foreign Currency Monetary Item Translation Difference (Refer Note 26.02)	131.22	—
Total	252.72	242.98

16 Inventories

(At lower of cost or net realisable value)

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Raw materials	3,997.00	3,346.95
Goods-in-transit	115.71	264.05
	4,112.72	3,611.00
(b) Work-in-progress	5,724.85	5,033.57
	5,724.85	5,033.57
(c) Finished goods	1,620.91	3,360.52
	1,620.91	3,360.52
(e) Stores and spares	454.18	419.41
	454.18	419.41
Total	11,912.65	12,424.50

17 Trade receivables

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	2,342.46	974.18
Doubtful	186.29	208.41
	2,528.76	1,182.60
Less: Provision for doubtful trade receivables	186.29	208.41
	2,342.46	974.18
Other Trade receivables		
Unsecured, considered good	7,303.47	11,722.57
	7,303.47	11,722.57
Total	9,645.94	12,696.76

18 Cash and cash equivalents

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Cash on hand	3.58	3.34
(b) Balances with banks		
(i) In current accounts	127.82	83.69
(ii) In EEFC accounts	153.79	4.32
(iii) In deposit accounts	3.81	11.04
- Unpaid dividend accounts	2.99	1.96
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note below)	353.17	327.00
Total	645.17	431.35
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	331.86	119.39

Notes:

Balances with banks include deposits amounting to ₹ Nil (As at 31 March, 2011 ₹ Nil) and margin monies amounting to ₹ 310.32 lacs (As at 31 March, 2011 ₹ 310.00 lacs) which have an original maturity of more than 12 months.

19 Short-term loans and advances

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Security deposits Unsecured, considered good	6.34	6.64
	6.34	6.64
(b) Loans and advances to employees Unsecured, considered good	8.79	20.21
	8.79	20.21
(c) Loans and advances to Related Party Unsecured, considered good	1,802.03	—
	1,802.03	—
(c) Prepaid expenses - Unsecured, considered good	112.76	111.63
(d) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable	425.60	473.61
(ii) Service Tax credit receivable	387.42	270.52
(e) Share Application pending allotment	298.16	923.16
(f) Other Loans & Advances Unsecured, considered good	7,430.82	4,115.83
Doubtful	184.00	184.00
	7,614.82	4,799.83
Less: Provision for other doubtful loans and advances	184.00	184.00
	7,430.82	4,115.83
Total	10,471.94	5,921.60

20 Revenue from operations

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(a) Sale of products (Refer Note (i) below)	39,387.64	39,465.00
(b) Sale of services (Refer Note (ii) below)	7,313.32	2,971.05
(c) Other operating revenues (Refer Note (iii) below)	201.90	184.39
	46,902.85	42,620.44
Less:		
(d) Excise duty	562.79	538.65
Total	46,340.06	42,081.79

Note	Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(i)	Sale of products comprises :		
	Sales of Manufactured Goods	37,802.52	31,518.97
	Sale of Traded Goods	1,585.12	7,946.03
	Total - Sale of products	39,387.64	39,465.00
(ii)	Sale of services comprises :		
	Sales Commission	1,448.65	1,167.76
	Export Services	5,864.67	1,803.29
	Total - Sale of services	7,313.32	2,971.05
(iii)	Other operating revenues comprises:		
	Sale of scrap	27.80	56.32
	Export Incentive	61.72	59.89
	Others	21.75	1.74
	Income from Travel Business	90.62	66.44
	Total - Other operating revenues	201.90	184.39

21 Other income

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(a) Interest income (Refer Note (i) below)	1,089.69	1,430.34
(b) Dividend income on Quoted Investment	0.33	28.31
(c) Net gain on sale of long-term investments	87.14	—
Total	1,177.17	1,458.64

Note Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(i) Interest income comprises:		
Interest from banks on deposits	27.30	52.16
Interest on loans and advances subsidiaries	440.46	1,018.36
others	616.84	356.24
Other interest	5.09	3.57
Total - Interest income	1,089.69	1,430.34

22.a Cost of materials consumed

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Opening stock	3,649.48	3,091.35
Add: Purchases	17,694.72	16,813.35
	21,344.20	19,904.70
Less: Closing stock	4,166.57	3,649.48
Cost of material consumed	17,177.63	16,255.22

22.b Purchase of traded goods

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Purchase of Traded Goods	1,298.31	6,583.63

22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Inventories at the end of the year:		
Finished goods	1,620.91	3,360.52
Work-in-progress	5,724.85	5,033.57
	7,345.76	8,394.10
Inventories at the beginning of the year:		
Finished goods	3,360.52	2,215.58
Work-in-progress	5,033.57	4,397.58
	8,394.10	6,613.17
Net (increase) / decrease	1,048.34	(1,780.93)

23 Employee benefits expense

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Salaries and wages	4,275.18	4,483.12
Contributions to provident and other funds	124.09	125.30
Staff welfare expenses	123.10	101.14
Total	4,522.38	4,709.56

24 Finance costs

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(a) Interest expense on:		
(i) Borrowings	3,906.63	2,958.17
(ii) Working Capital & Others	1,270.51	729.96
(b) Other borrowing costs	335.61	308.90
(d) Net loss on foreign currency transactions and translation (considered as finance cost)	241.69	56.14
Total	5,754.43	4,053.17

25 Other expenses

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Consumption of stores and spare parts	39.11	27.37
Increase / (decrease) of excise duty on inventory	(2.05)	(13.21)
Other Manufacturing Expenses	316.53	274.25
Power and fuel	2,502.25	2,185.38
Research and Development Expenses	32.82	28.61
Laboratory Expenses	290.56	304.77
ETP Expenses	378.23	479.94
Rent including lease rentals	45.53	53.65
Repairs and maintenance - Buildings	106.39	89.85
Repairs and maintenance - Machinery	658.04	672.61
Repairs and maintenance - Others	138.43	115.86
Insurance	159.93	211.08
Communication	47.42	49.79
Travelling and conveyance	284.27	340.94
Printing and stationery	54.86	62.14
Freight and forwarding	580.10	808.74
Sales commission	34.06	27.56
Business promotion	2.50	21.93
Donations and contributions	31.06	4.98
Legal and professional	189.04	209.88
Payments to auditors (Refer Note (i) below)	20.28	20.28
Bad trade and other receivables, loans and advances written off	421.96	14.35
Membership & Subcription	51.79	52.51
ECGC Premium	22.06	13.03
Office Electricity	23.70	21.49
Recruitment Expenses	12.05	46.12
Net loss/(gain) on foreign currency transactions and translation (other than considered as finance cost)	950.98	(178.70)
Loss on fixed assets sold / scrapped / written off	29.91	29.40
Provision for doubtful trade and other receivables, loans and advances (net)	310.36	—
Prior period items (net) (Refer Note (ii) below)	5.27	2.03
Miscellaneous expenses	60.42	88.54
Total	7,797.87	6,065.16

Note	Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(i)	Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - statutory audit	13.00	12.10
	For taxation matters	1.52	1.10
	For company law matters	1.39	1.96
	For management services	4.37	5.00
	Reimbursement of expenses	—	0.12
	Total	20.28	20.28
(ii)	Details of Prior period items (net)		
	Machine Repair	—	0.26
	Other Repair	0.51	2.05
	Freight Inward	0.70	0.02
	Other Expenses	2.29	1.44
	Sales	(5.31)	—
	Travelling Expenses	—	(1.74)
	Clearing & Forwarding	1.18	—
	Other Interest	7.68	—
	Sales Commission	(1.79)	—
	Total	5.27	2.03

1.00 Significant accounting policies

1.10 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

1.20 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

1.30 Inventories

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost (net of refundable taxes and duties) or net realizable value. The cost of these items of inventory comprises of cost of purchase and other incidental costs incurred to bring the inventories to their present location and condition. Work in progress and finished goods are valued at lower of cost or net realizable value. The cost of work in process and finished goods includes cost of conversion and other costs incurred to bring the inventories to their present location and condition. Cost of inventories is determined on weighted average basis. Excise Duty in respect of finished goods lying in factory premises are provided for and included in valuation of inventory in case of non EOU units. Custom duty is accounted as and when goods are cleared from the bonded warehouse.

1.40 Depreciation and amortisation

All tangible fixed assets, except freehold land, leasehold land and capital work in progress, are depreciated on a straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies' Act, 1956. Leasehold land shall be written off in the year in which the respective lease period expires. Intangibles Assets including Intellectual Property Rights in the nature of production processes, software and patents are amortized over a period of 5 years starting from the year after the year of incurring expenditure / commercialization. The value of these intangible assets is reviewed at each balance sheet date to assess the probability of continuing future benefits. If there is any indication that the value of such assets is impaired, the resulting impairment loss is recognized in the financial statements.

1.50 Revenue recognition

Revenue from domestic sales is accounted on dispatch of products to customers. Revenue from export sales is recognized on shipment/ air lift of products. Income from Contract Research is recognized under Percentage Completion Method basis as per contractual terms. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

1.60 Tangible fixed assets

Fixed assets are stated at cost of acquisition / construction except for certain fixed assets which have been stated at revalued amounts, less accumulated depreciation, amortization and impairment loss (if any). Cost comprises of purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost to bring the assets ready for its intended use. Exchange difference, if any, in respect of long term liabilities incurred to acquire fixed assets is adjusted to the carrying cost of fixed assets. Direct expenses, as well as pro rata identifiable indirect expenses on projects during the year of construction are capitalized. Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

1.70 Intangible assets

Intangible assets are stated at cost of acquisition / cost incurred less accumulated amortization.

1.80 Foreign currency transactions and translations

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at the year end rates. Non monetary foreign currency items are carried at cost. Exchange differences arising on settlement or restatement of long term foreign currency monetary items, in so far as they relate to acquisition of depreciable capital assets are adjusted to the carrying cost of such assets and depreciated over the balance life of the assets and in other cases, are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the balance period of such long term asset / liability but not beyond March 31, 2020 by recognition as income or expense in each of such periods. An asset or liability is designated as a long term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability. Exchange differences on other monetary items denominated in foreign currencies are recognized in the profit and loss account.

1.90 Investments

Current investments are carried at the lower of cost and fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

2.00 Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate. Other long-term employee benefits are recognized as an expense in the profit and loss account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

2.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying fixed assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

2.20 Taxes on income

Tax expenses for a year comprise of current tax and deferred tax. Provision for current tax is determined based on assessable profits of the Company as determined under the Income Tax Act, 1961. Provision for deferred tax is determined based on the effect of timing difference between the assessable profits under the Income Tax Act and the profits as per the Profit and Loss Account. Deferred tax assets, other than those from carry forward losses and unabsorbed depreciation, are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets arising from carry forward losses and unabsorbed depreciation, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.30 Research and development expenses

Research and development costs incurred for development of products are charged to revenue as incurred, except for development costs relating to the design and testing of new or improved materials, products or processes which are recognized as intangible assets to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of capital nature is added to fixed assets. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events and change in circumstances indicate that the carrying value may not be recoverable. Expenditure on development of the production process of molecules is treated as capital work in progress and amortized over the period of life of each product once the commercial exploitation of the respective product starts / put to use.

2.40 Impairment of assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.50 Provisions and contingencies

Provisions are recognized for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic benefits will be required and if the amount involved can be measured reliably. Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in the control of the Company, are not recognized in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in the Notes to Financial Statements. Contingent assets are neither recognized nor disclosed in the financial statements.

2.60 Derivative contracts

In respect of derivative contracts, premium paid, gains or losses on settlement and provision for losses for cash flow hedges are recognized in the profit and loss account.

26 Additional information to the financial statements

26.01 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(i) Contingent liabilities		
a) Claims against the Company not acknowledged as debt	3.01	3.12
b) Guarantees		
(i) Outstanding guarantees furnished to the bank in respect of wholly owned subsidiaries and a joint venture company	43,359.78	24,867.89
(ii) Guarantees given by Bank on behalf of the Company	267.21	121.66
c) Letters of Credit in favor of suppliers	1,958.29	2,362.91
d) Disputed central excise duty (including service tax) liability	418.65	435.03
e) 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 ₹ 662.26 Lacs (Previous Year ₹ 642.26 Lacs) under protest.	5,273.56	4,007.05
f) Disputed sales tax and central sales tax liability ,out of the said amount company has paid ₹7.83 Lacs under protest.	433.96	447.41
g) Bills discounted with banks	4,295.19	3,398.57
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	764.54	2,409.18

26.02 During the year, the Company has opted for the option given in the paragraph 46A of Accounting Standard – 11 “The effects of changes in Foreign Exchange Rates” inserted by the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs.

- a) The exchange differences arising on restatement or settlement of long term foreign currency monetary items in so far as they relate to acquisition of a depreciable capital asset are adjusted to the cost of such asset and depreciated over the balance life of the asset
- b) In other cases, they have been accumulated in ‘Foreign Currency Monetary Items Translation Difference Account’ and amortized over the balance period of such long term asset/ liability but not beyond March 31, 2020 by recognition as an income and expenses in each of such periods.

Accordingly, on standalone basis, ₹927.89 lacs has been added to the cost of the capital assets, ₹ 1.42 lacs has been accumulated ‘Foreign Currency Monetary Item Translation Difference Account’ and total amortisation on such foreign currency monetary asset / liability for the year ended on 31st March 2012 is ₹132.63 lacs.

The amount remaining to be amortized in subsequent periods as at the balance sheet date is ₹131.22 lacs (Previous year ₹ Nil)

26.03 Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently, the amount paid/payable to these parties during the period is ₹ Nil.

26.04 Details of debts due from Companies under the same management:- (₹ in Lacs)

Name of the Company	Balance as at 31 March, 2012	Maximum balance during the year	Balance as at 31 March, 2011	Maximum balance during the year
Carbogen Amcis AG	(1,327.61)	367.09	—	255.26
Dishman Europe Ltd.	5,023.22	7,585.15	4,694.95	6,469.35
Dishman Austriasia PTY Ltd.	69.69	160.90	91.75	107.39
Dishman Intl Trading Shanghai Co Ltd	22.08	23.35	6.44	39.57
Dishman USA	1,685.97	1,810.04	473.05	665.14
Dishman Japan Ltd	321.12	382.76	130.16	682.23
Cad Middle East pharma.indus.	4.67	4.67	4.67	327.46
Dishman FZE #	(4,359.15)	—	—	—
Carbogen Amcis Limited	267.60	267.60	—	—
Total	2,468.00	11,361.95	5,880.43	9,025.81

up to 30th March, 2012

26.05 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(₹ in Lacs)

Name of the party	Relationship	Amount outstanding as at 31 March, 2012	Maximum balance outstanding during the year
Dishman Infrastructure Ltd.	Entity in which Director is Interested	3,800.00 (3,800.00)	3,800.00 (3,800.00)
Dishman Europe Ltd.	Subsidiary	— (441.98)	441.98 (441.98)
Dishman Australasia PTY Ltd.	Subsidiary	263.20 (230.35)	263.20 (230.35)
Dishman Phar.& Chem.(Shanghai) Co.Ltd.	Subsidiary	4,703.59 (3,824.41)	4,703.59 (3,846.91)
Dishman Pharma Solutions AG	Subsidiary	— (1,228.23)	1,228.23 (5,020.60)
Dishman FZE	Subsidiary #	782.56 (—)	782.56 (—)
Dishman Care Ltd.	Subsidiary	1,185.92 (—)	1,185.92 (—)
Carbogen Amcis India Ltd.	Subsidiary	876.83 (—)	876.83 (—)

up to 30th March, 2012

Note: Figures in bracket relate to the previous year.

26.06 Details on derivatives instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at 31 March, 2012. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.11, 2.26 and 2.27.

- (a) Forward exchange contracts and options [being derivative instruments], 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 and receivables.

Outstanding forward exchange contracts entered into by the Company as on 31 March, 2012

Currency	₹ in Lacs	Buy / Sell	Cross currency
US \$	500.40	Buy	Rupees
US \$	(1,673.21)	Buy	Rupees

Note: Figures in brackets relate to the previous year

- (b) Interest rate swaps to hedge against fluctuations in interest rate changes: As at 31 March, 2012 ₹ 3720.60 lacs (As at 31 March, 2011: ₹4125.50 lacs)

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31 March, 2012		As at 31 March, 2011	
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
₹ 12,170.54 Lacs	Euro 31.54 Millions	₹ 7,923.61 Lacs	CHF 00.17 Millions
	GBP 00.002 Millions		Euro 00.45 Millions
	US\$ 183.75 Millions		GBP 00.003 Millions
	AU\$ 05.71 Millions		US\$ 16.24 Millions
	CHF 00.66 Millions		AU\$ 00.68 Millions
	CHF (07.11) Millions		Euro (03.20) Millions
₹ (17,539.50) Lacs	Euro (00.12) Millions	₹ (22,511.04) Lacs	GBP (00.03) Millions
	GBP (00.06) Millions		CHF (06.97) Millions
	US\$ (26.33) Millions		US\$ (38.30) Millions
	JPY (00.45) Millions		JPY (00.49) Millions

26.07 Value of imports calculated on CIF basis :

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Raw materials	7,281.87	11,626.85
Capital goods	781.72	1,291.31

26.08 Expenditure in foreign currency :

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Subscription Membership Fees	38.61	30.36
Sales Commission	35.53	12.34
Foreign Travelling	8.94	19.58
Bank interest & Charges	37.27	48.90
Interest on Foreign Currency Loans	848.11	842.65
Insurance & legal Expenses	10.06	17.63
Other Expenses	10.67	7.36
Total	989.20	978.82

26.09 Details of consumption of imported and indigenous items

	Imported		Indigenous	
	₹ in Lacs	%	₹ in Lacs	%
Raw materials	6,566.44 (3,513.85)	38.27% (22.27%)	10,611.19 (12,266.48)	61.73% (77.73%)
Spare parts	0.00 (0.00)	0.00% (0.00%)	38.14 (26.58)	100.00% (100.00%)
Total	6,566.44 (3,513.85)		10,649.33 (12,293.06)	

Note: Figures / percentages in brackets relates to the previous year

26.10 Earnings in foreign exchange :

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Export of Goods on FOB	34,035.42	27,722.68
Contract Research Services	5,702.51	1,803.29

26.11 Earnings per share

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Basic & Diluted		
Net profit for the year from continuing operations attributable to the equity shareholders	4,483.57	4,012.49
Weighted average number of equity shares	80,697,136	80,697,136
Par value per share	2.00	2.00
Earnings per share from continuing operations - Basic and Diluted	5.56	4.97

26.12 Deferred tax (liability) / asset

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(4,599.48)	(4,319.19)
Tax effect of items constituting deferred tax liability	(4,599.48)	(4,319.19)
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances	213.27	112.56
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,238.15	1,229.98
Tax effect of items constituting deferred tax assets	1,451.43	1,342.54
Net deferred tax (liability) / asset	(3,148.05)	(2,976.65)

26.13 (i) Details of research and development expenditure recognised as an expense

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Annual Maintainance	17.93	1.26
Consumables	34.67	3.52
Conveyance	6.59	16.72
Laboratory Expenses	230.58	120.98
Others	0.07	3.15
Power & Fuel	113.69	—
Repairs & Maintanance	42.08	24.49
Raw Material Consumption	37.68	24.69
Salary & Wages	632.14	514.18
Subscription Expenses	45.75	16.04
Total	1,161.18	725.02

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

(₹ in Lacs)

Asset Class	Gross Value as at 1 April, 2011	Addition/ Adjustment / Deletion During the year	Gross Value as at 31 March, 2012
Buildings	1,397.72	(29.62)	1,368.10
Plant & Machinery	1,330.05	1.51	1,331.56
Laboratory Equipments	1,338.90	38.37	1,377.27
Electric Installations	193.11	—	193.11
Furniture & Fixtures	151.21	0.47	151.68
Office Equipments and Computers	19.59	(10.50)	9.09
Total Tangible Assets (A)	4,430.58	0.23	4,430.81
Intangible Assets	327.97	185.29	513.26
Capital Works in Progress	—	40.66	40.66
Total of Intangible Assets and Capital Works in Progress (B)	327.97	225.95	553.92
Total Capital Expenditure (A + B)	4,758.55	226.17	4,984.72

26.14 Disclosures in respect of Assets acquired under Hire Purchase Arrangements

The total of minimum hire installments payable at the Balance sheet date are as under

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
For a period not later than 1 year	59.67	55.98
For a period later than 1 year but not later than 5 years.	79.75	36.27
For a period later than 5 years	—	—

Hire charges recognized in the profit and loss account ₹ 8.13 Lacs (Previous Year ₹ 8.03 Lacs)

26.15 **Segment information**

The Company is in the business of manufacturing and marketing of :

- A. Contract Research & Contract Manufacturing (CRAMS).
- B. Bulk Drugs, Intermediates, Quats ,Specialty Chemicals and traded goods.

Segment revenue of the above business segment includes sales export incentive and income from Research and Development activity.

Segment revenue in geographical segment considered for disclosure is as follows:

- A. Domestic Sales
- B. Export Sales

- (i) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management and Reconciliation of reportable segments with financial statements.

Particulars	CRAMS	Bulk Drugs, Quats, Speciality Chemicals and traded goods	Unallocated /Others	Total
Revenue from Operations	29,139.69 (24,100.04)	17,200.37 (17,981.75)	— (—)	46,340.06 (42,081.79)
Other Income	— (70.39)	1,177.17 (1,388.25)	— (—)	1,177.17 (1,458.64)
Total Revenue	29,139.69 (24,170.43)	18,377.54 (19,370.00)	— (—)	47,517.23 (43,540.43)
Results	6,595.93 (6,583.80)	5,910.36 (836.80)	-5,754.43 (-2566.68)	6,751.86 (4,853.92)
Assets	61,045.76 (65,609.78)	25,564.02 (23,806.55)	57,689.28 (52,883.05)	144,299.06 (142,299.38)
Liability	23,123.04 (21,442.60)	5,786.47 (3,240.45)	4,926.05 (4,622.97)	33,835.56 (29,306.02)

Note: Figures in bracket relates to the previous year

(ii) Particulars	Domestic ₹ in Lacs	Export ₹ in Lacs	Total ₹ in Lacs
Revenue	5,616.97 (13,510.51)	41,900.26 (30,029.92)	47,517.23 (43,540.43)
Total Assets	144,299.06 (142,299.38)	— (—)	144,299.06 (142,299.38)

Note: Figures in bracket relates to the previous year

26.16 The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification.

26.17 Employee benefit plans

a) Defined Benefit Plans

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.
- ii) The Defined Benefit Plan comprises of Gratuity and Leave Encashment. Gratuity is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance(if any) for each completed year of continuous service with part thereof in excess of six months. The plan is funded.
- iii) Leave Encashment benefit is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance(if any) for each completed year of continuous service with part thereof in excess of six months.

I. Expenses recognized during the year

Particulars	Gratuity (₹ in lacs)	Leave Encashment (₹ in lacs)
Current service cost	50.07	21.20
Interest Cost	33.18	10.41
Expected return on plan assets	(0.08)	—
Net actuarial losses (gains)	(45.03)	(2.60)
Total	38.14	29.01

II. Reconciliation of opening and closing balances of defined benefit obligation

Particulars	Gratuity (₹ in lacs)	Leave Encashment (₹ in lacs)
Defined benefit obligation at beginning of the year	395.89	124.24
Service cost	50.07	21.19
Interest cost	33.18	10.41
Actuarial losses (gains)	(45.03)	(2.60)
Benefits paid	(25.70)	(21.96)
Defined benefit obligation at end of the year	408.41	131.28

III. Reconciliation of Opening and Closing balances of fair value of plan assets

Particulars	Gratuity (₹ in lacs)
Fair value of plan assets at beginning of the year	0.54
Expected return on plan assets	0.08
Actuarial gains and (losses)	(0.01)
Contributions by employer	26.60
Benefits paid	(25.70)
Fair value of plan assets at year end	1.52

IV. Reconciliation of the present value of defined benefit obligation and fair value of planned assets:

	Gratuity 2010-11	Leave Encashment 2010-11
Present value of defined benefit obligations at the end of the year	408.40	131.29
Fair value of plan assets at the end of the year	1.52	—
Net assets / (liability) at the end of year	(406.88)	(131.29)

V. Investment details

Particulars	% invested as at 31st March, 2012
Policy Of Insurance	100%

VI. Actuarial Assumptions

Particulars	Gratuity	Leave Encashment
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.50%	8.50%
Expected Return on plan assets (per annum)	9%	—
Rate of escalation in salary (per annum)	6%	6%
Withdrawal rates	3 % at younger age reducing to 1 % at older age	3 % at younger age reducing to 1 % at older age
Retirement age	60 years	60 years

- The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- Expected Rate of Return of Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.
- Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

VII. Experience History

	Gratuity			Leave Encashment		
	31st March 2012	31st March 2011	31st March 2010	31st March 2012	31st March 2011	31st March 2010
Present value of defined benefit obligations at the end of the year	408.40	395.89	300.49	131.29	124.24	83.96
Fair value of plan assets at the end of the year	1.52	0.54	1.24	—	—	—
Net assets/(liability) at the end of year	(406.88)	(395.35)	(299.25)	(131.29)	(124.24)	(83.96)

b) Defined Contribution Plans.

Contribution of Defined Contribution Plan, recognized as expense for the year as under:

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Employer's Contribution to Provident Fund	62.93	89.35
Employers' Contribution to Superannuation Fund	32.71	48.11

26.18 Related party transactions
a) Details of related parties:

Description of relationship

Subsidiaries	Dishman USA Inc.
Subsidiaries	Dishman Europe Limited
Subsidiaries	Dishman International Trading (Shanghai) Co..Ltd.
Subsidiaries	Dishman FZE #
Subsidiaries	Dishman Switzerland Limited
Subsidiaries	Dishman Pharmaceuticals & Chemicals (Shanghai) Co. Limited
Subsidiaries	Dishman Pharma Solutia AG
Subsidiaries	Dishman Australasia Pty Limited
Subsidiaries	Carbogen Amcis (India) Limited
Subsidiaries	Dishman Care Limited
Subsidiaries	Dishman Middle East FZE
Subsidiaries	Dishman Japan Limited
Fellow Subsidiaries	Carbogen Amcis AG
Fellow Subsidiaries	Cohecie Fine Chemicals B.V. formerly known as Dishman Holland B.V
Fellow Subsidiaries	Dishman Netherlands B.V.
Fellow Subsidiaries	Dishman U.K LLP
Fellow Subsidiaries	Innovative Ozone Service Inc
Joint venture	Dishman Arabia Limited
Joint venture	CAD Middle East Pharmaceutical Industries@
Joint venture	Schutz Dishman Bio-tech Limited
Associates	Bhadra-Raj Holdings Private Limited
Key Management Personnel (KMP)	Mr. Janmejy R.Vyas
Key Management Personnel (KMP)	Mrs. Deohooti J.Vyas
Key Management Personnel (KMP)	Mr. Arpit J.Vyas
Relative of Key Management Personnel	Ms. Aditi J Vyas
Relative of Key Management Personnel	Ms . Mansi J Vyas
key Management Personnel is Karta	Mr. J.R.Vyas HUF
Company in which KMP / Relatives of KMP can exercise significant influence	B.R. Laboratories Limited
Company in which KMP / Relatives of KMP can exercise significant influence	Dishman Infrastructure Limited

up to 30th March, 2012.

@ up to May, 2011.

Note: Related parties have been identified by the Management.

- b) Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

₹ in Lacs

Particulars	Subsidiaries	Fellow Subsidiaries	Associates/ Joint Ventures	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	— (—)	— (—)	5.04 (10.69)	— (—)	— (—)	0.17 (0.26)	5.21 (10.95)
Sale of goods/ Export of Services	31,676.40 (24,625.81)	1,738.68 (331.87)	1,097.80 (1,256.01)	— (—)	— (—)	— (1.53)	34,512.88 (26,215.22)
Purchase of fixed assets	82.56 (—)	— (—)	— (—)	— (—)	— (—)	— (10,470.29)	82.56 (10,470.29)
Rendering of services	12.88 (207.77)	— (—)	— (—)	— (—)	— (—)	1.10 (—)	13.98 (207.77)
Receiving of services	— (—)	42.36 (—)	— (—)	5.82 (5.77)	5.29 (5.25)	— (—)	53.47 (11.02)
Investment	114.92 (311.96)	— (—)	— (202.87)	— (—)	— (—)	— (—)	114.92 (514.83)
Sale of Long Term Investments	125.46 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	125.46 (—)
Interest Income	311.37 (355.58)	— (—)	— (—)	— (—)	— (—)	126.72 (662.78)	438.09 (1,018.36)
Loan & Advances Given	2,941.41 (6,272.93)	— (—)	— (—)	— (—)	— (—)	— (—)	2,941.41 (6,272.93)
Loans & Advances Received	— (—)	— (—)	— (—)	— (300.00)	— (—)	— (—)	— (300.00)
Advances received against Sales	5,686.76 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	5,686.76 (—)
Capital Advances	— (—)	— (—)	— (—)	— (—)	— (—)	616.91 (3,247.67)	616.91 (3,247.67)
Dividend Paid	— (—)	— (—)	7.20 (7.20)	583.39 (580.40)	1.68 (1.68)	— (—)	592.27 (589.28)
<u>Balances outstanding at the end of the year</u>							
Trade receivables	8,200.28 (6,015.32)	21.18 (40.37)	4.67 (76.57)	— (—)	— (—)	— (—)	8,226.13 (6,132.26)
Guarantees and collaterals	39,827.76 (23,065.92)	— (—)	3,532.00 (1,801.97)	— (—)	— (—)	— (—)	43,359.76 (24,867.89)
Loans and advances	1,364.96 (5,221.53)	— (—)	298.16 (298.16)	(0.17) (0.28)	— (—)	2,640.21 (2,148.80)	4,303.16 (7,668.77)
Trade payables	3,963.02 (3,310.14)	— (—)	— (—)	— (—)	— (—)	— (0.01)	3,963.02 (3,310.15)

Note: Figures in bracket relates to the previous year

c)

Particulars	Name of the related party	2011-2012 ₹ in Lacs	2010-11 ₹ in Lacs
Purchase of goods	Schutz Dishman Bio-tech Ltd.	5.04	10.47
	B.R.laboratories Pvt Ltd	0.17	0.26
Sale of goods/Export Services	Dishman Europe Ltd	24,624.45	22,314.69
	Carbogen Amcis AG	1,507.48	331.80
	Dishman USA Inc.	4,871.17	2,108.36
	Dishman FZE	1,715.26	—
	Cohecie Fine Chemicals B.V.	226.57	—
	Carbogen Amcis Limited, U.K.	263.05	—
	Dishman Japan Ltd	1,025.92	1,184.11
	Schutz Dishman Bio-tech Ltd.	71.87	71.90
Purchase of Fixed Assets	Carbogen Amcis AG	82.56	—
	Dishman infrastructure Ltd	—	10,470.29
Rendering of Services	Dishman Europe Ltd	12.88	61.16
	Carbogen Amcis AG	—	146.61
Receiving of Services	Dishman Netherland B.V.	42.36	—
Investments	D P C (Shanghai) Co.Ltd	—	311.96
	Dishman Japan Ltd	—	202.87
	Dishman Middle East FZE	114.92	—
Interest income	Dishman Europe Ltd	—	19.51
	Carbogen Amcis AG	18.26	—
	Dishman Care Ltd.	12.13	—
	D P C (Shanghai) Co.Ltd	280.98	246.71
	Dishman infrastructure Ltd	126.72	662.78
Loans and advances given	Dishman FZE	782.56	—
	Dishman Care Ltd	1,175.00	—
	Carbogen Amcis India Ltd.	860.40	—
	D P C (Shanghai) Co.Ltd	123.45	—
	Dishman Pharma Solutia AG	—	6,272.93
Loans and advances recived	Mr. Janmejy R.Vyas	—	205.00
	Mr. Arpit J.Vyas	—	80.00
	Mrs. Deohooti J.Vyas	—	15.00
Capital Advances	Dishman Infrastructure Ltd	616.91	3,247.67
Guarantees and Collatorals given during the period	Dishman Pharma Solutia AG	5,134.40	11,706.10
	Dishman Europe Ltd	(1,003.81)	2,632.81
	Dishman FZE	7,117.64	2,137.41
	D P C (Shanghai) Co.Ltd	3,480.02	2,682.81
	Dishman Netherlands B.V.	2,033.59	3,906.79
	CAD Middle East Pharmaceuticals Industries	1,730.03	1,801.97
Dividends paid	Bhadra-Raj Holdings P.Ltd.	7.20	7.20
	Mr. Janmejy R.Vyas	303.50	300.51
	Mrs. Deohooti J.Vyas	131.57	131.57
	Mr. Arpit J.Vyas	148.32	148.32
Remuneration	Mr. Janmejy R.Vyas	351.00	243.00
	Mrs. Deohooti J.Vyas	95.00	60.00
	Mr. Arpit J.Vyas	120.00	106.00
Advance received against sale	Carbogen Amcis AG	1,327.61	—
	Dishman FZE	4,359.15	—

26.19 Interest in joint ventures

The Company has interests in the following jointly controlled entities:

₹ in Lacs

Name of companies and country of incorporation	% of shareholding	Amount of interest based on accounts for the year ended 31 March, 2012					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Schutz Dishman Bio Tech Ltd., India	22.33% (22.33%)	425.67 (445.07)	227.05 (284.62)	453.95 (269.76)	406.18 (319.17)	— (276.95)	— (—)
Dishman Arabia Ltd., Saudi Arabia	50.00% (50.00%)	522.38 (530.00)	1.23 (8.17)	— (—)	— (—)	— (—)	— (—)
CAD Middle East Pharmaceutical Industires, Saudi Arabia	30.00% (30.00%)	7,872.74 (3,307.93)	6,045.85 (663.62)	— (—)	— (—)	— (—)	— (—)
Dishman Japan Ltd., Japan	85.00% (85.00%)	659.35 (620.40)	802.49 (360.84)	1,750.67 (1,518.34)	1,834.07 (1,621.49)	— (—)	— (—)

Note: Figures in brackets relate to the previous year

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Ahmedabad

Date : 31st July, 2012

For and on behalf of the Board of Directors

(J. R. Vyas)

Chairman & Managing Director

(D. J. Vyas)

Whole Time Director

(D. S. Pandya)

VP (Legal) & Company Secretary

Ahmedabad

Date : 31st July, 2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**TO THE BOARD OF DIRECTORS OF****Dishman Pharmaceuticals and Chemicals Limited**

1. We have audited the attached Consolidated Balance Sheet of **Dishman Pharmaceuticals and Chemicals Limited** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a) We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of ₹ 84,085.45 lacs, as at March 31, 2012, total revenues of ₹ 99,082.44 lacs and net cash outflows amounting to ₹ (2,049.99) lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures are based solely on the reports of the other auditors.
 - b) We have relied upon the unaudited financial statements of three subsidiary companies, whose financial statements reflect total assets of ₹ 402.81 lacs, as at March 31, 2012, total revenues of ₹ 225.26 lacs and net cash outflows amounting to ₹ (10.30) lacs for the year ended on that date as considered in Consolidated Financial Statements. These unaudited financial statements have been furnished to us and our report in so far as it relates to the amounts included in respect of the subsidiary companies is solely based on these financial statements certified by the management.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, the aforesaid subsidiaries, joint ventures and associates, and based on the other financial information of the Components and accounts furnished by the management as explained in Para 3 (b) above and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the Consolidated the statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, July 31, 2012

Consolidated Balance Sheet as at 31 March, 2012

Particulars	Note No.	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,613.94	1,613.94
(b) Reserves and surplus	4	91,400.98	86,146.53
		93,014.93	87,760.47
2 Share application money pending allotment		184.00	155.20
3 Non-current liabilities			
(a) Long-term borrowings	5	51,205.16	44,425.54
(b) Deferred tax liabilities	26 (B.5)	4,460.35	3,511.27
(c) Other long-term liabilities	6	6,641.94	595.26
(d) Long-term provisions	7	4,052.40	3,515.07
		66,359.85	52,047.14
4 Current liabilities			
(a) Short-term borrowings	8	23,356.79	28,389.47
(b) Trade payables	9	16,578.74	17,143.96
(c) Other current liabilities	10	23,555.73	20,481.08
(d) Short-term provisions	11	2,817.59	2,448.68
		66,308.84	68,463.19
TOTAL		225,867.62	208,425.99
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.A	80,954.44	79,621.91
(ii) Intangible assets	12.B	21,127.18	20,815.88
(iii) Capital work-in-progress		41,824.62	30,694.54
		143,906.24	131,132.33
(b) Goodwill on Consolidation		1,229.66	765.86
(c) Non-current investments	13	2,630.43	141.23
(d) Deferred tax asset	26 (B.5)	—	284.84
(e) Long-term loans and advances	14	15,461.29	17,773.89
(f) Other non-current assets	15	252.72	242.98
		19,574.10	19,208.80
2 Current assets			
(a) Inventories	16	26,706.24	27,021.76
(b) Trade receivables	17	18,696.82	17,007.16
(c) Cash and cash equivalents	18	2,404.09	4,250.57
(d) Short-term loans and advances	19	14,580.12	9,805.37
		62,387.27	58,084.86
TOTAL		225,867.62	208,425.99
See accompanying notes forming part of the financial statements	1 to 26		
As per our report of even date attached. For Deloitte Haskins & Sells Chartered Accountants Gaurav J Shah Partner Ahmedabad Date : 31st July, 2012		For and on behalf of the Board of Directors (J. R. Vyas) Chairman & Managing Director (D. J. Vyas) Whole Time Director (D. S. Pandya) VP (Legal) & Company Secretary Ahmedabad Date : 31st July, 2012	

Consolidated Statement of Profit and Loss for the year ended 31 March, 2012

Particulars	Note No.	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
1 Revenue from operations	20	112,988.51	103,683.35
Less: Excise duty		577.34	547.85
Net Revenue from operations		112,411.17	103,135.50
2 Other income	21	1,291.72	1,388.75
3 Total revenue (1+2)		113,702.89	104,524.25
4 Expenses			
(a) Cost of materials consumed	22.a	37,688.22	32,616.87
(b) Purchases of stock-in-trade	22.b	1,298.31	6,583.63
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.c	(531.47)	(2,903.74)
(d) Employee benefits expense	23	29,410.48	28,035.14
(e) Finance costs	24	7,294.35	5,573.36
(f) Depreciation and amortisation expense	12.C	7,652.47	6,876.31
(g) Other expenses	25	22,099.34	18,665.29
Total expenses		104,911.70	95,446.85
5 Profit before tax (3-4)		8,791.19	9,077.40
6 Tax expense:			
(a) Current tax expense for current year		2,635.63	1,507.67
(b) Less :- MAT credit Entitlement		9.56	408.55
(c) Net current tax expense		2,626.07	1,099.12
(d) Deferred tax		489.27	(22.92)
		3,115.34	1,076.20
7 Profit for the year (5 - 6)		5,675.85	8,001.20
8. Earnings per share (of ₹ 2.00/- each):			
(a) Basic	26 (B.4)	7.03	9.92
(b) Diluted	26 (B.4)	7.03	9.92

See accompanying notes forming part of the financial statements

1 to 26

As per our report of even date attached.

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J Shah
Partner

Ahmedabad
Date : 31st July, 2012

For and on behalf of the Board of Directors

(J. R. Vyas) Chairman & Managing Director

(D. J. Vyas) Whole Time Director

(D. S. Pandya) VP (Legal) & Company Secretary

Ahmedabad
Date : 31st July, 2012

Consolidated Cash Flow Statement for the year ended on March 31, 2012

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per the Profit and Loss Account	8,791.19	9,077.40
Adjustments for :		
Depreciation and Amortisation	7,652.47	6,876.31
Loss / (Gain) on foreign exchange fluctuations	(6,643.83)	(3,477.32)
Interest Expense	7,294.35	5,513.66
Interest Income	(1,201.43)	(1,356.31)
Dividend Income	(0.33)	(28.31)
Sundry Balance Written Off (Net)	(22.12)	(122.06)
Loss/ (Gain) on sale of Investments	(86.43)	—
Loss on sale of Fixed Assets (Net)	40.28	25.63
Provision for doubtful debts and advances	269.07	—
	7,302.03	7,431.60
Operating profit before working capital changes	16,093.22	16,509.00
Adjustments for :		
Trade Receivables	(1,689.66)	(6,056.10)
Inventories	315.52	(2,787.22)
Loans and Advances	(6,323.41)	2,790.67
Trade Payables and Provisions	8,336.89	11,180.32
	639.33	5,127.67
Cash Generated From Operations	16,732.55	21,636.67
Taxes paid	(1,374.92)	(1,358.90)
Net Cash From Operating Activities	15,357.63	20,277.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,491.28)	(24,057.25)
Sale of Fixed Assets	41.00	33.11
Investments made	(2,489.20)	—
Proceeds from Sale of Long Term Investments	212.60	—
Share Application Money Pending Allotment	125.00	(478.28)
Dividend Received	0.33	28.31
Interest Received	1,201.43	1,356.31
Net Cash used in Investing Activities	(10,400.12)	(23,117.80)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium paid on redemption of FCCB	—	(345.04)
Proceeds from Long Term Loans	6,779.63	6,303.41
Inter-Corporate Deposits (Repaid) / Received	(23.05)	(18.12)
Proceeds/ (Repayment) from Short Term Loans	(5,009.63)	3,208.66
Interest Paid	(7,425.45)	(5,474.30)
Dividend Paid	(968.37)	(968.37)
Dividend Tax Paid	(157.09)	(160.83)
Net Cash Generated from Financing Activities	(6,803.97)	2,545.41
Net changes in Cash & Cash Equivalents (A+B+C)	(1,846.46)	(294.62)
Cash and Cash Equivalents at the beginning of the year	4,250.56	4,545.18
Cash and Cash Equivalents at the end of the year	2,404.09	4,250.56

Notes:-

- The Company had undrawn borrowing facilities of ₹ 6,239.78 lacs (Previous Year ₹ 3,021.89 lacs) at the end of the year.
- Cash and Cash Equivalents include deposits with banks of ₹ 461.28 lacs (Previous Year ₹ 327.71 lacs) of margin money, which amount is not available for immediate use.
- Interest paid is inclusive of, and purchase of fixed assets is exclusive of interest capitalised ₹ 153.84 lacs (Previous Year ₹ 559.91 lacs).

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Ahmedabad

Date : 31st July, 2012

For and on behalf of the Board of Directors**(J. R. Vyas)**

Chairman & Managing Director

(D. J. Vyas)

Whole Time Director

(D. S. Pandya)

VP (Legal) & Company Secretary

Ahmedabad

Date : 31st July, 2012

Notes forming part of the consolidated financial statements
3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised Equity shares of ₹2.00 each with voting rights	100,000,000	2,000.00	100,000,000	2,000.00
(b) Issued Subscribed and fully paid up Equity shares of ₹2.00 each with voting rights	80,697,136	1,613.94	80,697,136	1,613.94
Total		1,613.94		1,613.94

4 Reserves and surplus

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Securities premium account Opening balance	24,755.20	24,798.43
Less : Utilised during the year for: Premium on redemption of FCCB's	—	43.23
Closing balance	24,755.20	24,755.20
(b) Debenture redemption reserve Opening balance	1,875.00	625.00
Add: Additions during the year Transferred from surplus in Statement of Profit and Loss	1,250.00	1,250.00
Closing balance	3,125.00	1,875.00
(c) Revaluation reserve Opening balance	554.29	576.16
Less: Utilised for set off against depreciation	19.24	21.87
Closing balance	535.05	554.29
(d) General reserve Opening balance	28,775.95	23,772.25
Add: Transferred from surplus in Statement of Profit and Loss	2,505.92	5,003.70
Closing balance	31,281.87	28,775.95
(e) Foreign currency translation reserve Opening balance	4,639.60	1,359.93
Add : Effect of foreign exchange rate variations during the year	723.31	3,279.67
Closing balance	5,362.91	4,639.60
(f) Surplus in Statement of Profit and Loss Opening balance	25,546.49	24,924.45
Add: Profit for the year	5,675.85	8,001.20
Less: Dividend Dividends proposed to be distributed to equity shareholders (₹ 1.20 per share)	968.37	968.37
Tax on dividend	157.09	157.09
Transferred to: General reserve	2,505.92	5,003.70
Debenture redemption reserve	1,250.00	1,250.00
Closing balance	26,340.95	25,546.49
Total	91,400.98	86,146.53

5 Long-term borrowings

Particulars		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a)	Redeemable Non-Convertible Debentures Secured	See Note (i)	15,000.00
			15,000.00
(b)	Term loans From banks Secured Unsecured	See Note (ii)	29,078.06
			—
			22,046.50
	From other parties Secured Unsecured	See Note (iii)	6,459.69
		See Note (iii)	607.69
			7,067.38
(c)	Long-term maturities of Hire purchase obligations Secured	See Note (iv)	59.72
			59.72
			93.70
			93.70
	Total		51,205.16
			44,425.54

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Note (i)			
10.35% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures First Trench issued in February, 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 10.35% p.a. and are redeemable @ 20% each in the 4th and 5th year and 30% each in the 6th and 7th year from the date of allotment.	7,500.00	7,500.00
9.65% Redeemable Debentures	Secured Redeemable Non-Convertible Debentures-Second Trench issued in June 2010, are secured by, first pari-passu charge on the fixed assets of the Company located at Bavla. The debentures carry interest rate of 9.65% p.a. and are redeemable @ 50% each in the 4th and 5th year from the date of allotment.	7,500.00	7,500.00
		15,000.00	15,000.00
Note (ii)			
Industrial Development Bank of India Limited (IDBI)	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in quarterly installments of ₹ 175.00 lacs ending on March-2013.	—	700.00
Indus Ind Bank	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in Quarterly Installment of ₹ 295.62 lacs ending on April 2014.	1,200.59	2,383.56

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Bank Of Maharashtra	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Quarterly Installment of ₹125.00 Lacs ending on March - 2014.	498.14	1,000.00
Exim Bank	Secured Term Loan is secured by first pari-passu charge on the fixed assets of the Company located at Bavla and the second pari-passu charge on the current assets of the Company. Repayable in instalment of ₹ 250.00 lacs every quarter starting from Feb. 2014 ending on Aug. 2018.	3,750.00	—
Development Bank of Singapore	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in quarterly equal installments of ₹286.00 lacs starting from May 2012 ending on May 2015.	2,575.80	3,261.38
Standard Chartered Bank	The Term Loan is secured by first charge on the fixed assets of the Naroda EOU plant of Company located at Plot No. 1216/24 to 27 and 1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad. Repayable in monthly installments of ₹78.95 lacs ending on April 2013.	78.94	1,026.31
HDFC Bank Ltd.	Unsecured loans. Repayable by Monthly Installment of ₹47.62 lacs ending on July 2012.	—	190.48
ICICI Bank UK, Plc, Frankfurt Branch	The Term Loan is secured against pledged of 28,000,000 (Twenty Eight Millions) equity shares of Dishman Pharma Solutions AG, Switzerland with ICICI Bank UK, Plc, Frankfurt Branch as security against loan availed by its subsidiary company, Dishman Pharma Solutions, AG. The term loan is repayable in equal quarterly installments of ₹ 1065.58 lacs starting from July-2012 ending on June-2016.	13,644.08	—
Royal Bank of Scotland (fromelly known as ABN AMRO Bank N.V.)	The Term Loan is Secured by mortgage of all Land and Buildings and Investment Property, pledge on all Inventories, pledge on trade receivables, pledge on plant & equipments of Dishman Netherlands BV. The Term loan is repayable in equal quarterly installments of ₹ 169.73 lacs ending on Oct. 2017	3,224.78	2,604.53
State Bank of India, Shanghai	The Term Loan is secured by Mortgage of Land, Building and Machinery of Dishman Pharmaceuticals (Shanghai) Co Ltd.. The Term loan is repayable in quarterly equal installments of ₹ 383.85 lacs starting from Jan.13 and ending on Jan, 2016.	4,105.73	1,955.61
Royal Bank of Scotland (fromelly known as ABN AMRO Bank N.V.)	The Term Loan is secured by pledged of its 1 (One) equity share of Dishman FZE and pledge of IP rights and receivable (both revenue and capital) with Royal Bank of Scotland (fromelly known as ABN AMRO Bank N.V.) as security against loan availed by Dishman FZE. The term loan is repayable in equal quarterly installement of ₹ 225.66 lacs ending on Oct 2013.	—	1,360.17
Saudi Industrial Development Fund (SDIF)	The Term Loan is secured by Mortgage of Company's Property and Equipment and Promisory Notes and is Personally guaranteed by the Partners in Porportion of their interest in the Company. The Loan is repayable in thirteen variable semi-annual installments commencing from Feb. 2014.	—	540.59

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Rabo Bank Ltd.	The Term Loan is secured against pledged of 28,000,000 (Twenty Eight Millions) equity shares of Dishman Pharma Solutions AG, Switzerland with Cooperative Centrale Raifeisen- Boerenleenbank BA (trading as Rabobank International), Singapore as security against loan availed by its subsidiary company, Dishman Pharma Solutions,AG.	—	7,023.87
Note (iii)		29,078.06	22,046.50
International Finance Corporation	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future. Repayable in half yearly equal installments of ₹587.00 lacs starting from May-12 and ending on May-18.	6,459.69	6,690.00
Life Insurance Corporation of India	Unsecured loans. Availed on the Keyman insurance policies of the key personnel of the Company	545.47	545.47
From Others	Unsecured	62.22	49.87
Note (iv)		7,067.38	7,285.34
Kotak Mahindra Primus Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	—	5.93
ICICI Bank Limited	Hire Purchase Finances are secured by hypothecation of respective assets	26.09	87.77
HDFC Bank Ltd.	Hire Purchase Finances are secured by hypothecation of respective assets	33.63	—
		59.72	93.70
Total Long Term Borrowings		51,205.16	44,425.54

(v) Details of long-term borrowings guaranteed by a director:

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Term loans from banks	—	190.48

(vi) For the current maturities of long-term borrowings, refer item (i) (a) in Note 10 Other current liabilities.

6 Other long-term liabilities

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Others:		
(a) Payables on purchase of fixed assets	1,571.83	254.30
(b) Others	5,070.11	340.96
Total	6,641.94	595.26

7 Long-term provisions

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	130.93	103.41
(ii) Provision for gratuity (net)	3,921.47	3,411.66
Total	4,052.40	3,515.07

8 Short-term borrowings

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Loans repayable on demand		
From banks		
Secured	18,855.97	19,908.63
Unsecured	257.87	283.04
	19,113.84	20,191.67
(b) Short Term Loans from Banks		
Secured	1,459.40	1,018.38
Unsecured	2,783.55	7,179.42
	4,242.95	8,197.80
Total	23,356.79	28,389.47

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Loans repayable on demand from banks:			
Corporation Bank	Hypothecation of Inventories, collateral security of	695.52	2,454.92
Bank Of Baroda	book debts, first charge on Company's fixed asset at	2,880.11	2,162.40
Bank Of India	Naroda DTA plant located at Plot No. 1216/12,1216/	1,369.67	2,150.58
State Bank Of India	20 to 23, Pharse IV, and Plot No. 67, Phase I , GIDC	3,436.49	2,814.62
	Estate, Naroda , Ahmedabad unit and second charge		
	on fixed asset at Bavla.		
HDFC Bank	Unsecured	257.87	283.04
ABN Amro	Mortgage of all Land and Buildings and Investment	2,556.14	1,591.46
	Property, pledge on all Inventories, pledge on trade		
	receivables, pledge on plant & equipments of Dishman		
	Netherlands BV		
Credit Suisse Bank	Hypothecation of Inventories, collateral security of	6,991.12	8,007.45
	book debts, Negative Pledge of fixed assets of		
	Carbogen Amcis AG.		
State Bank of India, Shanghai	Secured by Mortgage of Land ,Building and Machinery	926.92	727.20
	of Dishman Pharmaceuticals (Shanghai) Co Ltd.		
Total- Loans repayable on demand from banks:		19,113.84	20,191.67
Short Term Loans from Banks			
Standard Chartered Bank	First Charge on Company's fixed asset at Naroda EOU	1,459.40	1,018.38
	plant situated at Plot No. 1216/24 to 1216/27 and		
	1216/11, Phase IV, GIDC Estate, Naroda, Ahmedabad.		
ICICI Bank	Unsecured	2,500.00	—
IndusInd Bank	Unsecured	270.00	1,221.00
Citi Bank	Unsecured	—	1,000.00
Corporation Bank	Unsecured	—	500.00
Yes Bank	Unsecured	—	1,458.42
Bank Of India	Unsecured	—	1,000.00
Royal Bank of Scotland	Unsecured	13.55	2,000.00
Total Short Term Loans from Banks:		4,242.95	8,197.80

(ii) Details of short-term borrowings guaranteed by a director:

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Loans repayable on demand from banks	257.87	283.04
Short Term Loans from Banks	270.00	1,221.00

9 Trade payables

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Trade payables: Other than Acceptances	16,578.74	17,143.96
Total	16,578.74	17,143.96

10 Other current liabilities

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Current maturities of long-term debt Note (i)	10,399.00	14,033.79
(b) Interest accrued but not due on borrowings	322.26	346.24
(c) Interest accrued and due on borrowings	22.74	71.88
(d) Unpaid dividends	2.99	1.96
(e) Other payables		
(i) Statutory remittances	124.60	114.23
(ii) Advances from customers	8,530.17	2,118.52
(iii) Provision for Directors Remuneration	217.11	—
(iv) Employee related provisions	416.61	518.63
(v) Others	3,520.25	3,275.83
Total	23,555.73	20,481.08

Particulars	Terms of repayment and security	Balance	
		As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Note (i):-			
(a) Term loans			
From banks			
Bank of India	The Term Loan is secured by first pari-passu charge on the whole movable assets of the Company both present and future located at Bavla and the second pari-passu charge on the current assets of the Company both current and future and further secured by pledge of the shares of Company held/to be held in wholly owned subsidiary in China, namely Dishman Pharmaceuticals and Chemicals (Shanghai) Co. Ltd.	—	2,020.47
Secured Loans from others	Refer Notes (ii), (iii) and (iv) in Note 5 - Long-term borrowings for details of security and guarantee.	10,179.26	10,535.01
Unsecured Loans from HDFC Bank Ltd	See note (ii) below	190.48	1,471.43
		10,369.74	14,026.91
From other parties			
Secured		5.93	6.60
		5.93	6.60
(b) Loans and advances from related parties (Refer Note 26 (B.9))			
Unsecured		23.33	0.28
		23.33	0.28
Total		10,399.00	14,033.79

(ii) Details of long-term borrowings guaranteed by a director:

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Term loans from banks	190.48	1,471.43

11 Short-term provisions

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Provision for employee benefits:		
(i) Provision for bonus	379.87	235.37
(ii) Provision for compensated absences	885.45	760.90
(iii) Provision for gratuity (net)	426.81	326.95
	1,692.13	1,323.22
(b) Provision - Others:		
(i) Provision for proposed equity dividend	968.37	968.37
(ii) Provision for tax on proposed dividends	157.09	157.09
	1,125.46	1,125.46
Total	2,817.59	2,448.68

12 Fixed assets

₹ in Lacs

A. Tangible assets	Gross block (At Cost)				Accumulated depreciation					Net block		
	Balance as at 1 April, 2011	Additions	Disposals/ Adjustment	Effect of Foreign Currency exchange differences	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation expense for the year	Effect of Foreign Currency exchange differences	Eliminated on disposal of assets / Adjustment	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
(a) Land												
Freehold	2,490.80	—	62.51	371.05	2,799.34	—	—	—	—	—	2,799.34	2,490.80
Leasehold	10,778.01	—	—	—	10,778.01	—	—	—	—	—	10,778.01	10,778.01
(b) Buildings												
Own use	19,201.87	502.04	—	1,724.10	21,428.01	3,372.72	1,074.16	—	338.59	4,785.47	16,642.54	15,829.15
(c) Plant and Equipment												
Owned	60,556.09	1,213.93	37.50	4,090.24	65,822.76	19,094.03	4,361.33	21.72	1,558.86	24,992.50	40,830.26	41,462.06
(d) Furniture and Fixtures												
Owned	1,226.49	14.06	11.56	45.28	1,274.27	547.65	84.83	0.79	23.37	655.06	619.21	678.84
(e) Vehicles												
Owned	1,041.92	196.81	115.55	13.11	1,136.29	342.70	112.47	46.19	5.30	414.28	722.01	699.22
(f) Office equipment & Computer & Printers												
Owned	2,514.86	64.92	23.40	64.02	2,620.40	1,852.32	152.91	15.70	179.20	2,168.73	451.67	662.54
(h) Electric Installations												
Owned	4,365.06	60.54	1.87	—	4,423.73	780.50	208.80	1.08	—	988.22	3,435.51	3,584.56
(i) Laboratory Equipments												
Owned	6,836.85	1,681.96	0.65	603.00	9,121.16	3,400.12	653.07	0.51	392.59	4,445.27	4,675.89	3,436.73
Total Tangible Assets (A)	109,011.95	3,734.26	253.04	6,910.80	119,403.97	29,390.04	6,647.57	85.99	2,497.91	38,449.53	80,954.44	79,621.91
B Intangible assets												
(a) Goodwill	17,142.91	—	198.61	2,705.96	19,650.26	232.12	—	—	28.98	261.10	19,389.16	16,910.79
(b) Brands / trademarks	1,968.33	—	—	318.23	2,286.56	1,652.68	366.72	—	267.16	2,286.56	—	315.65
(c) Computer software	622.83	323.13	1.15	1,178.98	2,123.79	255.86	247.03	0.35	1,044.30	1,546.84	576.95	366.97
(d) Copyrights, patents and other intellectual property rights, services and operating rights	4,476.81	386.51	2,848.27	576.86	2,591.91	1,254.34	410.39	349.89	116.00	1,430.84	1,161.07	3,222.47
Total Intangible (B)	24,210.88	709.64	3,048.03	4,780.03	26,652.52	3,395.00	1,024.14	350.24	1,456.44	5,525.34	21,127.18	20,815.88
Total Fixed Assets (A+B)	133,222.83	4,443.90	3,301.07	11,690.83	146,056.49	32,785.04	7,671.71	436.23	3,954.35	43,974.87	102,081.62	100,437.79
Previous year	108,336.48	19,617.38	183.55	5,452.52	133,222.83	24,809.27	6,898.18	124.81	1,202.40	32,785.04	100,437.79	

C. Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2012 ₹ in lacs	For the year ended 31 March, 2011 ₹ in lacs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	6,647.57	6,099.70
Depreciation and amortisation for the year on intangible assets as per Note 12 B	1,024.14	798.47
Less: Utilised from revaluation reserve	19.24	21.87
Depreciation and amortisation relating to continuing operations	7,652.47	6,876.31

Notes:**(i) Details of assets acquired under hire purchase agreements:**

Particulars	Gross block		Net block	
	31 March, 2012 ₹ in lacs	31 March, 2011 ₹ in lacs	31 March, 2012 ₹ in lacs	31 March, 2011 ₹ in lacs
Cars	242.03	135.70	203.82	118.66
Staff Bus	108.92	73.78	96.53	71.02

(ii) Additions to fixed assets includes:

(a) Loss of ₹ Nil on account of exchange differences pertaining to long term foreign currency monetary liabilities. (Previous year Gain ₹ 62.06 lacs)

(iii) Capital Work in Progress includes:

(a) ₹ 153.84 lacs on account of borrowing cost on borrowings for qualifying assets. (Previous Year ₹ 559.91 lacs)

(b) Loss of ₹ 927.89 lacs on account of exchange differences pertaining to long term foreign currency monetary liabilities. (Previous year Gain ₹ 363.36 lacs)

13 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total ₹ in lacs	Quoted	Unquoted	Total ₹ in lacs
Investments (At cost):						
Non-Trade						
Other investments						
Investment in equity instruments						
(i) of associates						
Bhadr-Raj Holdings Pvt Ltd (Face value of ₹ 10/- each fully paid up)		4,000	140.04	4,000		134.10
(ii) of joint venture companies						
CAD Middle East Pharmaceuticals Ind LLC (Face value of SAR 1000/- each fully paid up) (Refer Note 27 B.1 (ii))		21,900	2,481.07	—		—
(iii) of other entities						
Nutan Nagrik Sahkari Bank Limited (Face value of ₹ 25/- each fully paid up)		6,244	1.56	6,244		1.56
B R Laboratories Ltd (Face value of ₹ 10/- each fully paid up)		130	0.01	130		0.01
Nami Trading FZ LLC (Face value of AED 1000/- each fully paid up)		15	2.18	—		—
Dishman Infrastructure Ltd. (Face value of ₹ 10/- each fully paid up)		50,000	4.56	50,000		4.56
Stuti(Ambawadi) Owners' Association (Face value of ₹ 100/- each fully paid up)		30	0.03	30		0.03
Bank of India (Face value of ₹ 10/- each fully paid up)	2,100	—	0.95	2,100	—	0.95
Sangeeta Plaza iflex Office Premises Co-op Society Ltd. (Face value of ₹ 50/- each fully paid up)		50	0.03	50		0.03
Total			2,630.43			141.23
Less: Provision for diminution in value of investments			—			—
Total of Non Current Investments			2,630.43			141.23
Aggregate amount of quoted investments			0.95			0.95
Aggregate market value of listed and quoted investments			7.58			9.98
Aggregate amount of unquoted investments			2,629.49			140.28

14 Long-term loans and advances

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Capital advances		
Unsecured, considered good	7,147.22	10,465.71
Doubtful	310.36	—
	7,457.58	10,465.71
Less: Provision for doubtful advances	310.36	—
	7,147.22	10,465.71
(b) Security deposits		
Unsecured, considered good	326.97	319.60
	326.97	319.60
(c) Loans and advances to related parties		
Unsecured, considered good	3,422.77	2,023.30
	3,422.77	2,023.30
(d) Advance income tax Net of Provision for Tax of ₹ 7,150.81 lacs (As at 31 March, 2011 Net of Provision for Tax of ₹ 5,647.28 lacs) - Unsecured, considered good	839.47	618.81
(e) MAT credit entitlement - Unsecured, considered good	2,084.81	2,742.84
(f) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	1,640.05	1,603.63
Total	15,461.29	17,773.89

15 Other non-current assets

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Others		
(i) Insurance claims	121.50	242.98
(ii) Foreign Currency Monetary Item Translation Difference	131.22	—
Total	252.72	242.98

16 Inventories

(At lower of cost or net realisable value)

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Raw materials	10,382.77	11,203.73
Goods-in-transit	115.71	264.05
	10,498.48	11,467.78
(b) Work-in-progress	8,946.58	6,329.10
	8,946.58	6,329.10
(c) Finished goods	6,714.90	8,800.91
	6,714.90	8,800.91
(e) Stores and spares	546.28	423.97
	546.28	423.97
Total	26,706.24	27,021.76

17 Trade receivables

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	2,342.46	974.18
Doubtful	246.53	318.13
	2,588.99	1,292.31
Less: Provision for doubtful trade receivables	246.53	318.13
	2,342.46	974.18
Other Trade receivables Unsecured, considered good	16,354.36	16,032.98
	16,354.36	16,032.98
Total	18,696.82	17,007.16

18 Cash and cash equivalents

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Cash on hand	10.36	38.84
(b) Balances with banks		
(i) In current accounts	1,765.07	3,652.98
(ii) In EEFC accounts	153.79	4.32
(iii) In deposit accounts	10.60	224.76
- Unpaid dividend accounts	2.99	1.96
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	461.28	327.71
Total	2,404.09	4,250.57
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	2,090.78	3,938.61

Notes:

- (i) Balances with banks include deposits amounting to ₹ Nil (As at 31 March, 2011 ₹ Nil) and margin monies amounting to ₹ 310.32 lacs (As at 31 March, 2011 ₹ 310.00 lacs) which have an original maturity of more than 12 months.

19 Short-term loans and advances

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
(a) Security deposits Unsecured, considered good	6.34	6.64
	6.34	6.64
(b) Loans and advances to employees Unsecured, considered good	17.27	20.21
	17.27	20.21
(c) Prepaid expenses - Unsecured, considered good	2,294.38	2,343.07
(d) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable	438.49	483.95
(ii) Service Tax credit receivable	387.47	270.53
(e) Share Application pending allotment	149.08	774.08
(f) Other Loans & Advances Unsecured, considered good	11,287.09	5,906.89
Doubtful	184.00	184.00
	11,471.09	6,590.89
Less: Provision for other doubtful loans and advances	184.00	184.00
	11,287.09	5,906.89
Total	14,580.12	9,805.37

20 Revenue from operations

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(a) Sale of products (Refer Note (i) below)	105,408.32	96,600.90
(b) Sale of services (Refer Note (ii) below)	7,313.32	2,971.45
(c) Other operating revenues (Refer Note (iii) below)	266.87	4,111.00
	112,988.51	103,683.35
Less:		
(d) Excise duty	577.34	547.85
Total	112,411.17	103,135.50

Note	Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(i)	Sale of products comprises :		
	Sales of Manufactured Goods	103,823.20	88,654.87
	Sale of Traded Goods	1,585.12	7,946.03
	Total - Sale of products	105,408.32	96,600.90
(ii)	Sale of services comprises :		
	Sales Commission	1,448.65	1,167.76
	Export Services	5,864.67	1,803.69
	Total - Sale of services	7,313.32	2,971.45
(iii)	Other operating revenues comprises:		
	Sale of scrap	28.29	51.45
	Export Incentive	61.72	59.89
	Net gain on foreign currency transactions and translation (other than considered as finance cost)	—	3,687.70
	Others	86.24	245.52
	Income from Travel Business	90.62	66.44
	Total - Other operating revenues	266.87	4,111.00

21 Other income

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(a) Interest income (Refer Note (i) below)	1,201.43	1,356.31
(b) Dividend income on Quoted Investment	0.33	28.31
(c) Net gain on sale of long-term investments	86.43	—
(d) Share of profit from Associate	3.53	4.13
Total	1,291.72	1,388.75

Note Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(i) Interest income comprises:		
Interest from banks on deposits	176.10	187.19
Interest on loans and advances		
others	649.90	356.24
Other interest	375.43	812.88
Total - Interest income	1,201.43	1,356.31

22.a Cost of materials consumed

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Opening stock	11,507.76	11,732.87
Add: Purchases	36,734.37	32,391.76
	48,242.13	44,124.63
Less: Closing stock	10,553.91	11,507.76
Cost of material consumed	37,688.22	32,616.87

22.b Purchase of traded goods

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Purchase of Traded Goods	1,298.31	6,583.63

22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Inventories at the end of the year:		
Finished goods	6,714.90	8,800.91
Work-in-progress	8,946.58	6,329.10
	15,661.48	15,130.01
Inventories at the beginning of the year:		
Finished goods	8,800.91	7,000.13
Work-in-progress	6,329.10	5,226.14
	15,130.01	12,226.27
Net (increase) / decrease	(531.47)	(2,903.74)

23 Employee benefits expense

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Salaries and wages	25,603.78	23,902.64
Contributions to provident and other funds	3,201.21	3,339.31
Staff welfare expenses	605.49	793.19
Total	29,410.48	28,035.14

24 Finance costs

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
(a) Interest expense on:		
(i) Borrowings	4,778.92	3,912.48
(ii) Working Capital & Others	1,300.90	729.96
(b) Other borrowing costs	976.57	871.21
(d) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	237.96	59.71
Total	7,294.35	5,573.36

25 Other expenses

Particulars	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Consumption of stores and spare parts	39.11	27.37
Increase / (decrease) of excise duty on inventory	(2.05)	(13.21)
Other Manufacturing Exp.	215.14	186.07
Power and fuel	4,203.55	3,474.89
Research & Development Expenses	32.86	28.61
Laboratory Expenses	291.36	413.34
ETP Expenses	378.23	479.94
Rent including lease rentals (Refer Note 26 B.6)	3,517.03	2,873.74
Repairs and maintenance - Buildings	112.49	90.00
Repairs and maintenance - Machinery	3,570.14	3,064.61
Repairs and maintenance - Others	147.82	124.27
Insurance	649.36	746.51
Communication	367.51	331.86
Travelling and conveyance	1,158.68	986.85
Printing and stationery	171.49	178.33
Freight and forwarding	896.24	1,085.71
Sales commission	535.24	623.48
Business promotion	422.89	396.96
Donations and contributions	31.06	5.60
Legal and professional	1,897.61	1,585.14
Payments to auditors	134.43	150.50
Bad trade and other receivables, loans and advances written off	422.03	14.35
Membership & Subscribtion	115.25	154.26
ECGC Premium	22.37	13.77
Office Electricity	23.70	21.49
Recruitment Expenses	271.11	218.07
Net loss on foreign currency transactions and translation (other than considered as finance cost)	892.63	—
Loss on fixed assets sold / scrapped / written off	40.28	25.63
Provision for doubtful trade and other receivables, loans and advances (net)	269.07	—
Prior period items (net)	7.81	137.35
Miscellaneous expenses	1,264.90	1,236.79
Total	22,099.34	18,665.29

Note 26 Additional information to the consolidated financial statements

- 1 The Consolidated Financials Statements relate to Dishman Pharmaceutical and Chemicals Limited (“the Company”) and its various subsidiary companies, an associate and joint ventures as stated in B.1 below. The consolidated financial statements have been prepared on the following basis:
 - a) In respect of the subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra- group balances and unrealized profit/losses on intra-group transactions as per Accounting Standard- AS 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
 - b) Investments in associates have been accounted under equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
 - c) Investments in joint ventures have been accounted under proportionate consolidation method as per Accounting Standard 27 – Financial reporting of Interests in Joint ventures issued by the Institute of Chartered Accountants of India.
 - d) The difference between the costs of investment in the subsidiary companies, over the net assets at the time of acquisition of shares in the subsidiary companies is recognized in the financial statements as goodwill or capital reserve as the case may be.
 - e) The Company classifies its foreign operations considering the way in which they are financed and operate in relation to the Company. Consequently, translation of the financial statements of such non integral foreign operations is effected as under :-
 - a) Income and expenses are translated at the average exchange rates prevailing during the year.
 - b) All assets and liabilities, both monetary and non-monetary, are translated at the exchange rate prevalent at the date of the balance sheet.
 - c) The resulting net exchange differences are recognized as foreign currency translation reserve as part of Reserves and Surplus. In case of other subsidiaries, which are integral in nature to the company’s operations, the translation of financial statements is effected as under:
 - a) Income and expenses are translated at the average exchange rates prevailing during the year.
 - b) Monetary items at the year end are restated at the year end rates. Non-monetary foreign currency items are carried at cost.
 - c) The resulting net exchange differences are recognized in the profit and loss account.
 - f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.
 - g) The financial statements of the subsidiary companies, associates and joint ventures used in consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2012, except for certain subsidiaries and a joint venture company (as indicated by # in Note 1 and Note 3 of Part B below) for which financial statements as on reporting date are not available. These have been consolidated based on the last available financial statements, which are till December 31, 2011.

2 Other Significant Accounting Policies

A These are set out under "Significant Accounting Policies" as given in the unconsolidated financial statements of the Company.

B Notes to Consolidated Financial Statements

B.1 The subsidiaries considered in the consolidated financial statement as at 31st March 2012 are:

Name of the Subsidiary Company	Country of Incorporation	%of holding either directly or through subsidiaries
Dishman Europe Limited	UK	100%
Dishman USA. Inc.	USA	100%
Dishman Dubai FZE (See note (i) below)	UAE	100%
Dishman International Trading (Shanghai) Co. Limited #	China	100%
Dishman Pharma Solutions AG	Switzerland	100%
Dishman Pharmaceuticals and Chemicals (Shanghai) Company Limited #	China	100%
Dishman (Suisse) Limited	Switzerland	100%
Dishman Netherlands B.V ####	Holland	100%
Carbogen Amcis Limited *	UK	100%
Carbogen Amcis AG ^	Switzerland	100%
Cohecie Fine Chemicals B.V.(Formally Known as Dishman Holland BV) @	Holland	100%
Dishman Australasia Pty Limited	Australia	100%
Dishman LLP!	UK	100%
Innovative Ozone Services Inc **	Switzerland	100%
Carbogen Amcis (India) Limited	India	100%
Dishman Care Limited	India	100%

* Through Dishman Europe Limited! Though Dishman FZE and Dishman Pharma Solutia AG^ Through Dishman Pharma Solutia AG@ Through Dishman Netherlands B.V** Through Dishman Europe Limited and Dishman Switzerland Limited### Through Dishman Europe Limited

B.2 The associate company considered in the consolidated financial statements is:

Name of the Associate	Country of incorporation	% of holding
Bhadr-Raj Holdings Pvt. Limited	India	40%

B.3 The joint venture companies considered in the consolidated financial statements are:

Name of the Associate	Country of incorporation	% of holding
Schutz Dishman Biotech Limited	India	22.33%
Dishman Arabia Limited	Saudi Arabia	50%
Dishman Japan Limited	Japan	85%

B.1 (i) In the month of March, 2012, the Company has agreed, subject to approval of the Dishman FZE's two term lenders and compliance to the rules and regulations of UAE government, to disinvest its shareholding in Dishman FZE, a 100% wholly owned subsidiary of the Company to Nami Trading FZ LLC, a UAE based company for a consideration of ₹ 212.60 lacs. The

Company has received an approval for the said disinvestments from one of the term lenders of Dishman FZE and for other the request for approval is in process with the another lender. Accordingly the financial results of Dishman FZE, have been incorporated up to the date of the amount received by the Company for the said disinvestments, in accordance with the applicable requirements of Accounting Standard AS-21 on “Consolidated Financial Statements”.

- B.1 (ii) In the month of May, 2011, the Company’s holding in Joint venture company namely CAD Middle East Pharmaceuticals Inds., established in Saudi Arabia, has decreased from the earlier holding of 30% to 14.9% of the total share holding therein due to increase in share holding by other JV partners. Accordingly, the financial numbers of CAD Middle East Pharmaceuticals Inds have not been incorporated in the Consolidated financial statements as was being done in the previous year in accordance with the applicale requirements of Accounting standard AS -27 on “Financial Reporting of Interests in Joint Ventures”.
- B.1 (iii) In view of the above, to that extent the figures in the current year are not comparable with the figures of previous year.
- B.3 (i) Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
a) Claims against the Company not acknowledged as debt	3.01	3.12
b) Guarantees		
(i) Outstanding guarantees furnished to the bank in respect of former subsidairy and joint venture	12,787.07	—
(ii) Guarantees given by Bank on behalf of the Company	267.21	10,364.70
c) Letters of Credit in favor of suppliers	1,958.29	2,362.91
d) Disputed central excise duty (including service tax) liability	418.65	435.03
e) 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 ₹ 662.26 Lacs (Previous Year ₹ 642.26 Lacs) under protest.	5,569.77	4,283.10
f) Disputed sales tax and central sales tax liability ,out of the said amount company has paid ₹ 7.83 Lacs under protest.	433.96	447.41
g) Bills discounted with banks	7,246.11	6,031.38
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	764.54	2,409.18

B.4 Earnings per share

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
Earnings per share		
Basic & Diluted		
Net profit for the year attributable to the equity shareholders	5,675.85	8,001.20
Weighted average number of equity shares	80,697,136	80,697,136
Par value per share	2.00	2.00
Earnings per share from continuing operations - Basic & Diluted	7.03	9.92

B.5 Deferred tax (liability) / asset

	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(4,565.95)	(4,606.40)
On expenditure deferred in the books but allowable for tax purposes	(463.16)	(682.37)
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	(22.37)	—
Others	(98.69)	(363.58)
	(5,150.17)	(5,652.35)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	584.59	461.94
Provision for doubtful debts / advances	100.71	—
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	0.70	1,343.36
Unabsorbed depreciation carried forward	3.82	—
Brought forward business losses	—	620.62
	689.82	2,425.92
Net deferred tax (liability) / asset	(4,460.35)	(3,226.43)

The net deferred tax liability of ₹ 4460.35 lacs (Previous year ₹ 3226.43 lacs) has been presented in the balance sheet as follows:

	As at 31 March, 2012 ₹ in Lacs	As at 31 March, 2011 ₹ in Lacs
Deferred tax assets	—	284.84
Deferred tax liabilities	(4,460.35)	(3,511.27)
Deferred tax liability (Net)	(4,460.35)	(3,226.43)

B.6 Details of leasing arrangements

	For the year ended 31 March, 2012 ₹ in Lacs	For the year ended 31 March, 2011 ₹ in Lacs
i) As Lessee		
Future minimum lease payments not later than one year	3,109.62	2,668.21
later than one year and not later than five years	12,448.05	13,344.11
later than five years	5,557.92	4,731.23
	21,115.59	20,743.55
ii) Lease payments recognised in the Statement of Profit and Loss	3,016.65	2,459.27

B.7 Segment information

The Company is in the business of manufacturing and marketing of :

- A. Contract Research & Contract Manufacturing (CRAMS).
- B. Bulk Drugs, Intermediates, Quats ,Specialty Chemicals and traded goods

Segment revenue of the above business segment includes sales export incentive and income from Research and Development activity.

Segment revenue in geographical segment considered for disclosure is as follows:

A. Domestic Sales

B. Export Sales

- (i) The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amount allocated on a reasonable basis by management and Reconciliation of reportable segments with financial statements.

₹ in Lacs

Particulars	CRAMS	Bulk Drugs, Quats, Speciality Chemicals and traded goods	Unallocated /Others	Total
Revenue from Operations	71,790.58 (65,472.17)	40,620.59 (37,663.33)	— (—)	112,411.17 (103,135.50)
Other Income	707.88 (931.07)	580.28 (457.68)	3.56 (—)	1,291.72 (1,388.75)
Total Revenue	72,498.46 (66,403.24)	41,200.87 (38,121.01)	3.56 (—)	113,702.89 (104,524.25)
Results	9,436.66 (10,632.29)	6,648.86 (4,018.47)	-7,294.35 (-5573.36)	8,791.18 (9,077.40)
Assets	114,068.27 (105,113.15)	62,626.54 (44,765.31)	49,172.80 (58,547.52)	225,867.61 (208,425.98)
Liability	28,161.42 (18,183.64)	22,186.91 (8,823.00)	7,942.41 (20,843.88)	58,290.74 (47,850.52)

Note: Figures in bracket relates to the previous year

(ii) Particulars	Domestic ₹ in Lacs	Export ₹ in Lacs	Total ₹ in Lacs
Revenue	4,454.58 (11,947.67)	107,956.58 (91,156.43)	112,411.17 (103,104.10)
Total Assets	144,190.87 (112,727.54)	81,676.75 (95,698.44)	225,867.61 (208,425.98)

Note: Figures in bracket relates to the previous year

B.8 The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification.

B.9 Related party transactions

- (i) Details of related parties:

Description of relationship

Subsidiaries

Dishman FZE #

Joint venture

CAD Middle East Pharmaceutical Industries@

Key Management Personnel (KMP)

Mr. Janmejay R.Vyas

Key Management Personnel (KMP)

Mrs. Deohooti J.Vyas

Key Management Personnel (KMP)

Mr. Arpit J.Vyas

Relative of Key Management Personnel

Ms. Aditi J Vyas

Relative of Key Management Personnel

Ms . Mansi J Vyas

Key Management Personnel is Karta

Mr. J.R.Vyas HUF

Company in which KMP / Relatives of KMP can exercise significant influence B.R. Laboratories Limited

Up to 30th March, 2012.

@ Up to May, 2011.

(ii) Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

₹ in lacs

Particulars	Subsidiaries	Fellow Subsidiaries	Associates/ Joint Ventures	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	— (—)	— (—)	3.91 (8.09)	— (—)	— (—)	0.17 (0.26)	4.08 (8.35)
Sale of goods	— (—)	— (—)	209.71 (234.46)	— (—)	— (—)	— (1.53)	209.71 (234.99)
Purchase of Fixed Assets	— (—)	— (—)	— (—)	— (—)	— (—)	— (10,470.29)	— (10,470.29)
Rendering of services	— (—)	— (—)	— (—)	— (—)	— (—)	1.10 (—)	1.10 (—)
Receiving of services	— (—)	— (—)	— (—)	5.82 (—)	5.29 (—)	— (—)	11.11 (—)
Interest Income	— (—)	— (—)	— (—)	— (—)	— (—)	126.72 (662.78)	126.72 (662.78)
Loans & Advances Received	3,510.78 (—)	— (—)	— (—)	23.16 (300.00)	— (—)	— (—)	3,533.94 (300.00)
Advances received against Sales	4,359.15 (—)	— (—)	— (—)	— (—)	— (—)	— (—)	4,359.15 (—)
Capital Advances	— (—)	— (—)	— (—)	— (—)	— (—)	616.91 (3,247.67)	616.91 (3,247.67)
Dividend Paid	— (—)	— (—)	7.20 (7.20)	583.39 (580.40)	1.68 (1.68)	— (—)	592.27 (589.28)
Remuneration and Salaries	— (—)	— (—)	— (—)	653.17 (409.00)	— (—)	— (—)	653.17 (409.00)
Balances outstanding at the end of the year							
Trade receivables	— (—)	— (—)	4.67 (76.57)	— (—)	— (—)	— (—)	4.67 (76.57)
Guarantees and Collateral	9,255.05 (—)	— (—)	3,532.02 (—)	— (—)	— (—)	— (—)	12,787.07 (—)
Loans and advances	— (—)	— (—)	298.16 (298.16)	(0.17) (0.28)	— (—)	2,640.21 (2,148.80)	2,938.20 (2,447.24)
Trade payables	— (—)	— (—)	— (—)	— (—)	— (—)	— (0.01)	— (0.01)

Note: Figures in bracket relates to the previous year

(iii) Disclosure in respect of material transactions with related parties

Particulars	Name of the related party	2011-2012 ₹ in Lacs	2010-11 ₹ in Lacs
Purchase of Goods	B.R.laboratories Pvt Ltd	0.17	0.26
	Schutz Dishman Bio-tech Ltd.	3.91	8.09
Sale of goods/Export Services	Dishman Japan Ltd	153.89	177.62
	Schutz Dishman Bio-tech Ltd.	55.82	55.84
Purchase of Fixed Assets	Dishman infrastructure Ltd	—	10,470.29
Interest income	Dishman infrastructure Ltd	126.72	662.78
Loans and advances recived	Mr. Janmejy R.Vyas	23.16	205.00
	Dishman FZE	3,510.78	—
	Mr. Arpit J.Vyas	—	80.00
	Mrs. Deohooti J.Vyas	—	15.00
Capital Advances	Dishman Infrastructure Ltd	616.91	3,247.67
Guarantees and Collatorals	Dishman FZE	9,255.05	—
	CAD Middle East Pharmaceuticals Industries	3,532.02	—
Dividends paid	Bhadra-Raj Holdings P.Ltd.	7.20	7.20
	Mr. Janmejy R.Vyas	303.50	300.51
	Mrs. Deohooti J.Vyas	131.57	131.57
	Mr. Arpit J.Vyas	148.32	148.32
Remuneration	Mr. Janmejy R.Vyas	351.00	243.00
	Mrs. Deohooti J.Vyas	95.00	60.00
	Mr. Arpit J.Vyas	192.17	106.00
Advance received against sale	Dishman FZE	4,359.15	—

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J Shah

Partner

Ahmedabad

Date : 31st July, 2012

For and on behalf of the Board of Directors

(J. R. Vyas) *Chairman & Managing Director*

(D. J. Vyas) *Whole Time Director*

(D. S. Pandya) *VP (Legal) & Company Secretary*

Ahmedabad

Date : 31st July, 2012

Statement pursuant to Section 212(8) of the Companies Act, 1956, relating to Subsidiary Companies

Sr. No.	Name of the Subsidiary	Dishman Europe Limited (DEL)	Dishman USA Inc. (DUS)	Dishman Pharma Solutions AG (DPSL)	Carbogen Amcis AG (CA AG)	Dishman Switzerland Ltd.	Dishman FZE	Dishman International Trading (Shanghai) Co. Ltd.	Dishman Pharmaceuticals and Chemicals (Shanghai) Limited	Carbogen Amcis Limited (UK)	Dishman Care Limited	Cohecie Fine Chemicals B.V.	Dishman Netherlands B.V. (DNBV)	Innovative Ozone Services Inc. (IO3S)	Dishman Australasia (Pty) Limited	Dishman Middleeast FZE	Dishman Japan Limited	Carbogen Amcis Limited (India)
	Currency of presentation	British Pound	US Dollar	CHF	CHF	CHF	UAE Dirhams	CNY	CNY	British Pound	Rupees	Euro	Euro	CHF	AU \$	UAE Dirhams	JPY	Rupees
1	Share Capital																	
	In Foreign Currency	159,000	300,000	28,000,000	1,450,000	1,030,000	—	1,654,414	66,157,734	1	500,000	18,000	4,361,230	190,000	100,000	950,496	149,600,000	500,000
	In Indian Rupees	12,950,550	15,264,000	1,578,640,000	81,751,000	58,071,400	—	14,112,155	564,325,471	81	500,000	1,222,020	296,083,905	10,712,200	5,264,000	13,230,904	91,256,000	500,000
2	Reserve																	
	In Foreign Currency	2,857,717	994,996	30,817,934	51,225,756	620,594	—	3,668,867	—	301,622	(121,949)	1,590	3,756,177	(2,109,645)	(482,276)	(2,405)	(178,756,392)	(29,217)
	In Indian Rupees	232,761,057	50,625,378	1,737,515,117	2,888,108,140	34,989,067	—	31,295,434	—	24,567,083	(121,949)	107,945	255,006,828	(118,941,769)	(25,387,028)	(33,478)	(109,041,399)	(29,217)
3	Total Assets																	
	In Foreign Currency	15,444,305	4,710,028	89,881,971	85,908,054	1,655,184	—	7,981,930	137,327,523	1,063,821	393,249	19,590	24,023,192	(1,916,137)	25,511	993,046	125,614,172	—
	In Indian Rupees	1,257,938,636	239,646,200	5,067,545,530	4,843,496,088	93,319,249	—	68,085,859	1,171,403,767	86,648,225	393,249	1,329,965	1,630,934,495	(108,031,785)	1,342,899	13,823,200	76,624,645	—
4	Total Liabilities																	
	In Foreign Currency	12,427,588	3,415,032	31,064,037	33,232,298	4,590	—	2,658,648	71,169,789	762,198	15,198	0	15,905,785	3,508	407,787	44,955	154,770,564	(470,783)
	In Indian Rupees	1,012,227,028	173,756,823	1,751,390,413	1,873,636,948	258,782	—	22,678,270	607,078,296	62,081,060	15,198	0	1,079,843,763	197,784	21,465,927	625,774	94,410,044	(470,783)
5	Investments																	
	In Foreign Currency	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Turnover																	
	In Foreign Currency	35,603,170	10,575,516	342,000	73,175,063	—	17,449,523	24,522,914	—	4,081,355	—	—	25,777,332	19,675	423,461	—	337,641,027	—
	In Indian Rupees	2,899,878,171	538,082,254	19,281,960	4,125,610,078	—	242,897,364	209,180,455	—	332,426,365	—	—	1,750,023,101	1,109,280	22,290,987	—	205,961,026	—
7	Profit Before Tax																	
	In Foreign Currency	843,636	509,318	(2,563,451)	(616,562)	670	9,756,866	1,041,713	—	127,164	(104,840)	—	1,537,895	(2,376)	(15,869)	(2,405)	(20,622,441)	323,196
	In Indian Rupees	68,714,192	25,914,105	(144,527,365)	(34,761,774)	37,788	135,815,575	8,885,814	—	10,357,547	(104,840)	—	104,407,660	(133,976)	(835,364)	(33,478)	(12,579,689)	323,196
8	Provision for Tax																	
	In Foreign Currency	216,514	203,422	—	(28,549)	—	—	258,356	—	—	—	—	369,405	—	—	—	63,065,420	101,561
	In Indian Rupees	17,635,078	10,350,111	—	(1,609,572)	—	—	2,203,774	—	—	—	—	25,078,905	—	—	—	38,469,906	101,561
9	Profit After Tax																	
	In Foreign Currency	627,122	305,896	(2,563,451)	(588,014)	670	9,756,866	783,358	—	127,164	(104,840)	—	1,168,490	(2,376)	(15,869)	(2,405)	(83,687,861)	221,635
	In Indian Rupees	51,079,114	15,563,994	(144,527,365)	(33,152,202)	37,788	135,815,575	6,682,040	—	10,357,547	(104,840)	—	79,328,755	(133,976)	(835,364)	(33,478)	(51,049,595)	221,635
10	Proposed Dividend																	
	In Foreign Currency	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	In Indian Rupees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:-

- The Foreign Currency Figures (including Capital) have been converted into Indian Rupees using the exchange rates prevailing as on 31.03.2012.
- In the month of March, 2012, the Company has agreed, subject to approval of the Dishman FZE's two term lenders and compliance to the rules and regulations of UAE government, to disinvest its shareholding in Dishman FZE, a 100% wholly owned subsidiary of the Company to Nami Trading FZ LLC, a UAE based company for a consideration of ₹ 212.60 lacs. The Company has received an approval for the said disinvestments from one of the term lenders of Dishman FZE and for other the request for approval is in process with the another lender. Accordingly the financial results of Dishman FZE, have been incorporated up to the date of the amount received by the Company for the said disinvestments, in accordance with the applicable requirements of Accounting Standard AS-21 on "Consolidated Financial Statements".

Conversion Rate	British Pound	US Dollar	CHF	CHF	CHF	Dhiram	CNY	CNY	British Pound	Indian Rs.	Euro	Euro	CHF	AUS \$	Dhiram	Japanese Yen	Indian Rs.
Foreign Currency into INR as on 31.03.2012	81.45	50.88	56.38	56.38	56.38	13.92	8.53	8.53	81.45	1.00	67.89	67.89	56.38	52.64	13.92	0.61	1.00

Place : **Ahemdabad**
Date : **31st July, 2012**

J. R. Vyas
Chairman & Managing Director

D. J. Vyas
Whole Time Director

D. S. Pandya
V.P. (Legal) & Company Secretary

IMPORTANT COMMUNICATION TO SHAREHOLDERS

“Green Initiative in the Corporate Governance”

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds 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 the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement or any other communication in electronic mode, and register the said form with Link Intime India Private Limited. The said form is also available on the Company’s website www.dishmangroup.com.

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.

EMAIL ADDRESS REGISTRATION FORM

(For members who holds shares in Physical Form)

DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED

Registered Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009.

Ledger Folio No. : _____

No. of Share(s) held: _____

NAME OF THE SHAREHOLDER/ JOINT HOLDER: _____

Email Adress : 1. _____ 2. _____

Contact No. (R) _____ (M) _____

I hereby give my/our consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of _____, 2012.

Signature of the shareholder(s)

Note:

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd.
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.
- 3) This form is also available on the Company’s website www.dishmangroup.com.

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DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED

Registered Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip on request.

* Client Id. No. _____ Ledger Folio No. _____

* DP. ID. No. _____

NAME AND ADDRESS OF THE SHAREHOLDER: _____

No. of Share(s) held: _____

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the company held on Tuesday, the 25th day of September, 2012 at 9.30 a.m. at H. T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

 Signature of the shareholder or proxy

* Applicable for investors holding shares in electronic form.

DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED

Registered Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009.

FORM OF PROXY

I/We _____ of _____

in the District of _____ being a member/members of the above named Company hereby appoint

_____ of _____ in the District of _____

or failing him/her _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Twenty- Ninth Annual General Meeting of the Members of the Company to be held on Tuesday, the 25th day of September, 2012 at 9.30 a.m. at H. T. Parekh Convention Centre, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 and at any adjournment thereof.

Signed this _____ day of _____, 2012.

Signature _____

1 Rupee
 Revenue
 Stamp

* Client Id. No. _____

* DP. ID. No. _____

Ledger Folio No. _____

No. of share(s) held _____

* Applicable for investors holding shares in electronic form.

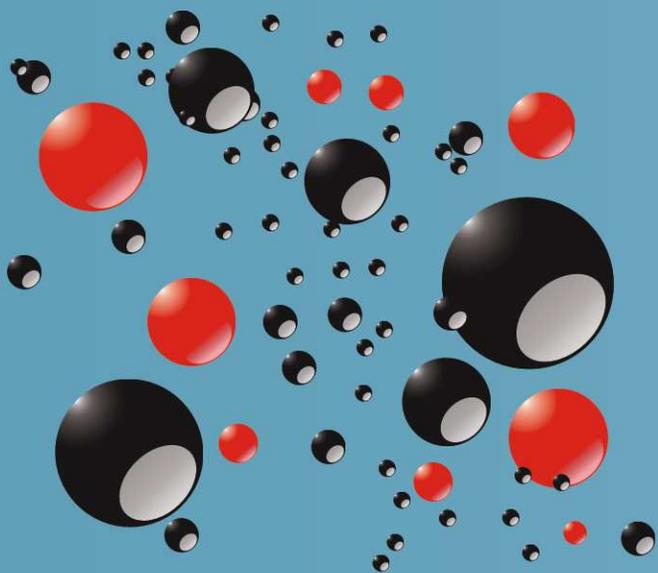
Notes:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member of the Company.
3. The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

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State of the Art HYPO Facility Unit at Bavla





Dishman Pharmaceuticals and Chemicals Limited

Bhadra-Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad – 380 009. Gujarat, INDIA

Tel. No.: 91-79-26443053, 26445807

Fax No.: 91-79-26420198