



Report of The Board of Directors

Dear members

Your Directors are pleased to present the 66th Annual Report along with the Audited financial statements for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS (As per IND-AS):

(Amount Rs. in Lakhs)

	Standalone results		Consolidated results	
	2017-18	2016-17	2017-18	2016-17
Total Revenue	1,288.82	596.48	31,192.42	16,847.09
Total Expenditure	3,635.29	2,393.92	23,595.48	17,399.94
Profit before tax ('PBT')	(2,346.47)	(1,797.44)	7,596.94	(552.85)
Less : Provision for tax (including deferred tax)	69.00	32.75	2,113.23	270.11
Profit after tax ('PAT')	(2,415.47)	(1,830.19)	5,483.71	(822.96)
Non Controlling interest	-	-	(1,262.84)	(280.20)
Share of interest in profit/(loss) of associates	-	-	(652.12)	(39.26)
Profit for the year	(2,415.47)	(1,830.19)	3,568.75	(1,142.42)
Proposed Dividend*	(114.66)	(57.33)	(114.66)	(57.33)
Dividend Distribution Tax	(23.34)	(11.67)	(23.34)	(11.67)
Balance in Statement of Profit and Loss account	923.88	3,355.67	10,671.80	7,150.15

* Dividend at the rate of 25% (Rs. 1.25 per equity share of Rs. 5 each) as proposed by the Board of Directors, after close of balance sheet date, subject to approval of shareholders.

RESULTS FROM OPERATIONS

In financial year 2017-18 ('FY 2017-18'), the Company on a Standalone basis earned revenue of Rs. 1,288.82 Lakhs, compared to Rs. 596.48 Lakhs in the previous financial year 2016-17 ('FY 2016-17'). In 2017-18, the Company reported a loss of Rs. (2,415.47) Lakhs as against loss of Rs. 1,830.19 Lakhs in FY 2016-17.

On a consolidated basis, the Company recorded a revenue of Rs. 31,192.42 Lakhs in FY 2017-18 as compared to Rs. 16,847.09 Lakhs in FY 2016-17. Profit after tax for FY 2017-18 was Rs. 5,483.71 Lakhs, as against loss of Rs. 822.96 Lakhs in FY 2016-17.

DIVIDEND VIS-À-VIS CHANGE IN CAPITAL

At the meeting of the Board of Directors held on May 15, 2018, your Directors recommended an equity dividend of Rs. 2.50 per equity share (25%) on 22,93,198 equity shares of Rs. 10 each, for members' approval.

However, pursuant to members' approval by way of postal ballot including e-voting dated July 25, 2018 for (i) split/ sub-division of shares from face value of Rs. 10 each to face value of Rs. 5 each ('Split') and (ii) issue of bonus equity shares in a ratio of 1:1 i.e. 1 new fully paid-up equity share of Rs.5 each for every 1 existing fully paid-up equity share of Rs. 5 each ('Bonus'), the Board of Directors in its meeting held on August 10, 2018 approved issue of Split share certificates and allotment of Bonus equity shares. Accordingly, the: (a) new paid up share capital of the Company is Rs. 4,58,63,960 comprising of 91,72,792 equity shares of Rs. 5 each; and (b) revised authorised share capital of the Company is Rs. 5,00,00,000 comprising of 98,40,000 equity shares of Rs. 5 each and 1,60,000 unclassified shares of Rs. 5 each.

In view of revised paid up share capital, post Split and Bonus issue, the Board of Directors at its meeting held on August 14, 2018, revised its earlier recommendation of May 15, 2018, of final equity dividend from 25% (Rs. 2.50 per equity share) on 22,93,198 equity shares of Rs. 10 each to 25% (Rs. 1.25 per equity share) on 91,72,792 equity shares of Rs. 5 each, for members' approval at the 66th Annual General Meeting ('AGM'). The equity dividend, if approved by the Members at the 66th Annual General Meeting ('AGM'), will result in a cash outflow of Rs. 138 Lakhs including dividend distribution tax.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for FY 2017-18 include financials of its subsidiaries, joint venture entity and associate companies (collectively referred as 'Subsidiaries/ Associates') i.e. Fermenta Biotech Limited, Fermenta Biotech (UK) Limited, G.I. Biotech Private Limited, Aegean Properties Limited, CC Square Films Limited (Subsidiaries), Agastya Films LLP (joint venture

entity); Health and Wellness India Private Limited and Zela Wellness Private Limited (associate companies). The consolidated financial statements of the Company and its Subsidiaries/ Associates entities are prepared in accordance with the relevant Indian Accounting Standards (Ind AS) notified under the Company (Indian Accounting Standards) rules, 2015 together with the comparative period data as at and for the previous year ended March 31, 2017, along with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('Act'), shall form part of this Annual Report.

SUBSIDIARY COMPANIES

The individual financial statements of the Company's Subsidiaries/ Associates have not been attached to the financial statements of the Company for FY 2017-18. The financial information of the Company's Subsidiaries/ Associates provided in this section may be read along with the information provided under the heading 'Consolidated Financial Statements' in this report. In accordance with the provisions of section 129 (3) of the Act, read with Rule 5 and Rule 8 of the Companies (Accounts) Rules, 2014 [as amended from time to time], a separate statement containing salient features of the financial statements of Company's Subsidiaries/ Associates in Form AOC I is attached to this Board's report as Annexure II and forms part of this Board's report.

The financial statements of the Company's Subsidiaries/ Associates will be kept open for inspection at the registered office of the Company, from 10.00 a.m. to 5.00 p.m. on all working days i.e. Monday to Friday, up to the date of the 66th AGM of the Company.

The standalone and consolidated financial statements of the Company, have been uploaded on the website of the Company (www.dil.net). Members interested in obtaining copies of the annual financial statements of each of the Company's Subsidiaries/ Associates, may write to the Company Secretary at the registered office address of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The operations of your Company during FY 2017-18 mainly include:

- Pharmaceuticals; Research, development and product delivery across biotechnology and environmental solutions operations are pursued through its subsidiary, Fermenta Biotech Limited (FBL); and
- Property rentals and production of motion pictures.

The detailed MD&A report forms part of this Board's Report as provided on page 25.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Internal Controls Systems including internal financial control are an integral part of the risk management process. Major risks identified by the management and business functions are systematically addressed through mitigating actions on a continuing basis. In order to identify and mitigate risks, your Company has developed and implemented risk management policy and maintains adequate internal control systems, commensurate to its size, nature of operations, reporting(s) and compliance with applicable laws and Company's procedures. The Company's internal control systems are routinely tested and certified by Statutory as well as Internal Auditors. During the year under review, the Company's Internal auditors, M. M. Nissim & Co., Chartered Accountants, conducted and reported the effectiveness and efficiency of these systems including the adherence to procedures as per the policies of the Company.

The Company has a well-staffed, experienced and qualified finance department which plays an important role in implementing and monitoring the internal control procedures and compliance with statutory requirements. The Audit Committee and the Board of Directors review the report(s) of the independent Internal Auditor at regular intervals along with the adequacy and effectiveness of internal control systems and suggest improvements and corrective actions, wherever necessary.

HUMAN RESOURCES

The provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') read with Section 197(12) of the Act are not applicable, as no employee of the Company has received remuneration equal to or exceeding the limits specified therein, during the year under review.

The Company had a headcount of 31 employees during the year under review.

The information required under Rule 5(1) of the aforesaid Rules read with Section 197 (12) of the Act in respect of ratio of the remuneration of each director to the median employee's remuneration and other details (collectively referred as 'Employee Information') forms part of this report. However, in terms of Section 136 of the Act, this report including financial statements is being sent to the Members and others entitled thereto, excluding the Employees Information.

For the next financial year, the Company's main focus would be to enhance Human Resource automation pertaining to Performance & Employee Database Management. The organisation has subscribed for three modules of SAP Success Factors namely Employee Central, Performance Management & Compensation Management. The Objective Setting process would be revamped and uploaded on SAP Success Factors.

Members can inspect the said information at the Registered Office of the Company during business hours on any working day i.e. Monday to Friday up to the date of this 66th AGM or can obtain its copy by writing to the Company Secretary at the registered office address of the Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has formulated a code on 'Redressal of Grievances Regarding Sexual Harassment' in accordance with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, with an objective to provide safe working environment to the employees. An 'Internal Complaints Committee' has been set up by the Company for redressal of grievances and to protect women against harassment of the employees.

No complaints/grievances were reported or pending during FY 2017-18.

SCHEME OF AMALGAMATION

The Board of Directors of the Company at its meeting held on June 21, 2018, has approved a Scheme of Amalgamation in terms of Sections 230 to 232 of the Companies Act, 2013, involving merger of Fermenta Biotech Limited (Transferor Company) with DIL Limited (Transferee Company). The said scheme is subject to the approval of the respective shareholders and creditors, National Company Law Tribunal and other regulatory and statutory approvals as applicable.

INFORMATION TECHNOLOGY

Information Technology (IT) acted as an enabler of productivity by implementing sophisticated application environments (e.g. SAP HANA, ITSM Platform for ERP) and will continue to invest in Cloud based CRM and HRIS Platform.

Your Company's IT Team manages Company's operations with state-of-the-art technology and has been incorporating new technologies into the system. In addition, mobility solution and support has played a key role in achieving improved deliverables in Company's operations and objectives. Your Company continues to drive excellence through a strong focus on managing the details, and a culture ingrained with continuous improvements.

Annual Application & Control Audits are undertaken to ensure consistent remediation of any business and process risks. Alongside the investment in technology, the Company is also improving its service management processes to prevent any defects in the IT environment and to enable faster resolution of any such incidents with minimum business disruption.

DEPOSITS

In FY 2017-18, your Company has not accepted any fixed deposits under Section 73 of the Act including rules framed thereunder, and no principal or interest remains unpaid or unclaimed as on March 31, 2018.

CREDIT RATING

During FY 2017-18, the Company has withdrawn its ratings from CARE, as it does not have any loans from banks. During FY 2017-18, the Company has not defaulted in payment of its obligations to any financial institutions.

DIRECTORS

Independent Directors:

Independent Directors have made declarations to the Company, confirming that the conditions of independence laid down in sub section 6 of section 149 of the Act and Regulation 25 of the SEBI Listing Regulations are duly complied.

Retirement by rotation:

Ms. Rajeshwari Datla (DIN – 00046864) retires by rotation at the 66th AGM and being eligible, offers herself for re-appointment. Brief profile of Ms. Rajeshwari Datla is provided on page no. 50 of this Annual Report.

Directors and Key Managerial Personnel:

No Director or Key Managerial Personnel resigned or was appointed during the year under review.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Details of the annual performance evaluation have been provided in the Corporate Governance Report attached as Annexure III to this Board's report.

AUDITORS

The members in the 65th AGM of the Company held on September 29, 2017 approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No: 117366W/W-100018) as Statutory Auditors of the Company and to hold office from the conclusion of 65th Annual General Meeting (AGM) until the conclusion of 70th AGM of the Company, subject to ratification of their appointment by the Members at every AGM of the Company during the above term, on such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors.

However, with effect from May 07, 2018, the Companies (Amendment) Act, 2017 has dispensed with the requirement of the ratification of Statutory Auditor's appointment by the members of the Company at every AGM during their tenure.

Therefore, in view of the aforesaid amendment vide Companies (Amendment) Act, 2017, and to partially modify the members' approval at the 65th AGM for the appointment Statutory Auditors of the Company, the approval of the members is sought to ratify the appointment of Deloitte Haskins & Sells LLP as Statutory Auditors of the Company for their remaining term i.e. till the conclusion of 70th AGM of the Company.

Deloitte Haskins & Sells LLP has expressed its willingness and confirmed its eligibility and qualification to act as Statutory Auditors of the Company in terms of sections 139 and 141 of the Companies Act, 2013 and rules made thereunder.

The qualification(s) made by the Auditors in their report for the FY 2017-18 and the explanation(s) of the Board thereof is stated in page no. 55 of the Corporate Governance Report.

SECRETARIAL AUDIT REPORT

The Board of Directors has appointed Mr. V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, as Secretarial Auditor of the Company for FY 2017-18 as per the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Auditor has submitted an unqualified report as annexed to this Board's report as Annexure IV and forms part of this Board's report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of sub-section 5 of Section 134 of the Act, with respect to Directors' Responsibility Statement for the year under review, it is hereby confirmed that:

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

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

The extract of the annual return in form MGT-9 is enclosed to this Board's Report as Annexure I and forms part of this Board's Report.

CODE FOR PREVENTION OF INSIDER TRADING

Pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted (a) Code of Conduct to regulate, monitor and report trading by Insiders, applicable to Promoters, Promoter's Group, Directors and such Designated Employees who are expected to have access to unpublished price sensitive information of the Company; and (b) The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The aforesaid Codes are displayed on the Company's website i.e. <http://www.dil.net/Company-Policies.html>.

NOMINATION AND REMUNERATION POLICY

Pursuant to Section 178(4) of the Act, the Nomination and Remuneration Policy ('Remuneration Policy') of the Company, including changes therein, if any, is available on Company's website at <http://www.dil.net/Company-Policies.html>. The salient features of the Nomination and Remuneration Policy, inter alia, are: (a) Objectives, (b) Matters to be recommended by the Committee to the Board, (c) Criteria for appointment of Director / KMP / Senior management, (d) Additional Criteria for Appointment of Independent Directors, (e) Appointment and Remuneration of Directors, (f) Policy on Board Diversity, (g) Appointment and Remuneration of KMP / Senior management and other employees of the Company, (h) Criteria for Evaluation of Independent Director and the Board, (i) Removal, (j) Succession planning for appointment to the Board of Directors and Senior Management, (k) Directors' and Officers' (D & O) Liability Insurance.

COST RECORDS

Provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the Company for the period under review.

CORPORATE ACTIONS

The Board of Directors, at its meeting held on June 18, 2018, has approved the following items, subject to members' and necessary statutory approvals:

- a) Split/sub-division of shares of the Company from face value of Rs. 10 (Rupees Ten Only) each to face value of Rs. 5 (Rupees Five Only) each;
- b) Issue of bonus equity shares in the proportion of 1:1 i.e. for 1 (One) new fully paid-up equity share of Rs. 5 (Rupees Five only) each for every 1 (One) existing fully paid-up equity share of Rs. 5 (Rupees Five only) each held by the members;
- c) Amendment to the Capital Clause of the Company i.e. Clause V of the Memorandum of Association, consequent to the aforesaid split and bonus Issue;
- d) Amendment to the Objects Clause of the Company.

The members accorded their consent to the above items on July 25, 2018. All Statutory approvals for the same have been obtained by the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or made investments covered under the provisions of Section 186 of the Act during FY 2017-18.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2017-18 were on an arm's length basis and in the ordinary course of business. During FY 2017-18, the Company has not entered into any material

related party transaction. In view of this, disclosure in form AOC-2 is not applicable.

The brief details of the Company's policy on dealing with Related Party transactions (RPT Policy) are covered in Corporate Governance report. The RPT policy is available on Company's website at <http://www.dil.net/Company-Policies.html>

INFORMATION IN ACCORDANCE WITH PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

(A) Conservation of energy and Technology absorption -

Information with respect to conservation of energy and technology absorption is not applicable to the present activities of the Company.

(B) Foreign Exchange Earnings and Outgo -

During FY 2017-18, there were no foreign exchange earnings.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, the Corporate Governance Report along with the Corporate Governance Certificate issued by Mr V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, for the financial year 2017-18 is provided as Annexure III and forms part of this Report.

Details of number of Board meetings, composition of the Audit Committee and establishment of Vigil Mechanism as required under the Act are provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

No CSR spending was required in FY 2017-18 in terms of Section 135 of the Act. Hence, no disclosure is required as per Companies (Corporate Social Responsibility Policy) Rules, 2014.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in business and in the nature of business of your Company during the FY 2017-18

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations during FY 2017-18.

SECRETARIAL STANDARDS

During FY 2017-18, the Company has complied with the provisions of applicable Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government.

DETAILS OF SHARES IN DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, the details of the shares in the Dematerialisation Suspense Account/ Unclaimed Suspense Account are as follows:

Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year (01.04.2017)	Number of shareholders who approached the Company for transfer of shares from Suspense Account during the year	Number of shareholders to whom shares were transferred from Suspense Account during the year	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year (31.03.2018)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
NIL	2	NIL	237 number of shareholders and 10463 Equity Shares	10463 Equity Shares

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation to the employees of the Company at all levels, members, bankers, financial institutions, regulatory bodies and other business associates for their support during the year under review.

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
 (DIN: 00391436)

Thane
 August 14, 2018
 Registered Office:
 A -1601, Thane One, DIL Complex,
 Ghodbunder Road, Majiwada,
 Thane (West) – 400 610
 Maharashtra, India.