

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 a Executive Chairman on its Board. Out of this 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.
- 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.
- 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 2010-2011 is given below.

Name of the Director	Category	No. of Board Meeting held & attended during 2010-2011		Whether attended Last AGM held on 30 th July, 2010	No. of Directorship in other Companies	No. of Chairmanship/ Membership in other Companies	
		Held	Attended			Chairmanships	Memberships
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	3	Yes	3	None	None
Mr. Yagneshkumar B. Desai	Non Executive & Independent Director	4	3	Yes	3	1	3
Mr. Sanjay S. Majmudar	Non Executive & Independent Director	4	4	Yes	5	1	1
Mr. Ashok C. Gandhi	Non Executive & Independent Director	4	4	Yes	6	None	4

Including Directorship in 8 Overseas subsidiaries (Direct or Indirect) 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

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Name of Directors	Relationship with other Directors
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 2010-2011. The dates on which the Board meetings were held: 29th May, 2010, 12th August, 2010, 1st November, 2010 and 11th February, 2011. Board of Directors has passed one Circular resolutions on 20th January, 2011.
- 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 were 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 Chief Financial Officer 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 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 2010-11 ended on 31st March, 2011, is as follow:

Name and Designation	Category	No. of the Meeting during F.Y 2010-2011	
		Held	Attended
Mr. Yagneshkumar B. Desai [Chairman]	Non Executive and Independent Director	4	3
Mr. Sanjay S. Majmudar [Member]	Non Executive and Independent Director	4	4
Mr. Ashok C. Gandhi [Member]	Non Executive and Independent Director	4	4

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2. Meetings of the Audit Committee

During the financial year four [4] Meetings were held on 29th May, 2010, 12th August, 2010, 1st November, 2010 and 11th February, 2011. 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 30th July 2010.

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 of 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 2010-11 ended on 31st March, 2011, is as follow:

Name and Designation	Category	No. of the Meeting during F.Y 2010-2011	
		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. Meeting of the Shareholders' & Investors' Grievance Committee

During the year 4 [four] meetings were held on 28th May, 2010, 11th August,2010, 30th October,2010 and 10th February,2011.

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.
- Looks 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.

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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 Pandya, V.P. [Legal] & Company Secretary Dishman Pharmaceuticals and Chemicals Limited 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 2010-2011

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				
01-04-2010	30-06-2010	NIL	NIL	NIL	NIL
01-07-2010	30-09-2010	NIL	7	7	NIL
01-10-2010	31-12-2010	NIL	3	3	NIL
01-01-2011	31-03-2011	NIL	1	1	NIL
TOTAL			11	11	
Complaint pending at beginning of the year			NIL		
Complaint received during the year			11		
Complaint resolved during the year			11		
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 that, 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 205C 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/- (Two Lacs Forty Five Thousand) on 4th May, 2011 to IEPF set up by the Central Government after sending several reminder letters to unclaimed IPO Refund Holders.

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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
2003-2004	Mr. Deepak S. Pandya V.P. [Legal] & Company Secretary	Application on plain paper
2004-2005		
2005-2006	Dishman Pharmaceuticals and Chemicals Limited Bhadra-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380 009 Contact No.: 079-26443053 / 5807 Fax No. 079-26420198	
2006-2007		
2007-2008		
2008-2009		
2009-2010		

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.

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*
2003-2004	29 th September, 2004	28 th September, 2011
2004-2005	1 st October, 2005	30 th September, 2012
2005-2006	4 th July, 2006	3 rd July, 2013
2006-2007	12 th August, 2007	11 th August, 2014
2007-2008	5 th August, 2008	4 th August, 2015
2008-2009	4 th August, 2009	3 rd August, 2016
2009-2010	3 rd August, 2010	2 nd August, 2017

* 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 that your Company has come 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 Guideline, allotment of Shares 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

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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 29th May, 2010, which was attended by Mr. Sanjay S. Majmudar and Mr. Ashok C. Gandhi. Leave of Absence was granted to Mr. Yagneshkumar B. Desai.

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 Director, 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 01/04/2010 to 31/03/2011, 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	243.00	Nil	Nil	Nil
Mrs. Deohooti J. Vyas Whole-Time Director	60.00	Nil	Nil	Nil
Mr. Arpit J. Vyas Whole-Time Director	106.00	Nil	Nil	Nil

Note: Mrs. Deohooti J. Vyas has been re-appointed as Whole-Time Director for a further period of five years w.e.f. 3rd September, 2011 and her remuneration has been increased from Rs.5.00 lacs to Rs.10.00 lacs per month w.e.f. 3rd September, 2011 by the Board of Directors at its meeting held on 26th May, 2011 upon the recommendation of Remuneration Committee held on 26th May, 2011, subject to approval of Members of the Company.

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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 and appointed as a Chairman of the Company w.e.f. 1st June, 2009 upon sad demises of Shri R. T. Vyas. 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. Dehooti J. Vyas, Whole -Time Director

Tenure: Five Years w.e.f. 3rd September, 2006.

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. Dehooti J. Vyas shall be paid Rs.36.00 lacs (Rupees Thirty Six Lacs only) per annum and the above remuneration payable to her may comprise salary, allowances and perquisites as may be determined by the Board of Directors from time to time 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.5,00,000/- (Rupees Five Lacs only) per month, from time to time during the tenure of said five years.

Remuneration of Mrs. D.J.Vyas , whole time Director of the company has been increased from Rs.3.00 lacs to Rs.5.00 Lacs per month w.e.f. 1st June, 2008 by the board of Directors at its meeting held on 22nd May, 2008 upon the recommendation of Remuneration Committee on 22/05/2008.

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

Note : Upon recommendation of the Remuneration Committee, the Board of Directors of the Company at its meeting held on 26th May, 2011 has re-appointed Mrs. D. J. Vyas as Whole-time Director of the Company for a further period five years w.e.f. 3rd September, 2011 and increase her remuneration to Rs.10.00 lacs per month, subject to approval of members at the General Meeting. For this purpose, a Special Resolution is being proposed in the Notice of this Annual General Meeting.

3. Mr. Arpit J. Vyas, 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) 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.

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

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❖ Non-Executive and 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 26th May, 2011 has approved the payment of commission to Non-Executive Directors of the Company (Other than the Chairman & Managing Director, Managing Director and Whole -Time Director) for the financial year ending on 31st March, 2011 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, 2011, 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 01/04/2010 to 31/03/2011, are as under:

(Rs. in lacs)

Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Yagneshkumar B. Desai	4.00	1.20
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 30th July, 2010.

Dishman Pharmaceuticals and Chemicals Limited**GENERAL BODY MEETING:**

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

Year	Venue	Date	Time
2007-2008	H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	31/07/2008	9.30 a.m
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.

Special Resolution passed at the Last Three AGM

One special resolution (without postal ballot) pertaining to payment of remuneration by way of commission to Non-Executive Director(s) of the Company (Other than the Chairman & Managing Director, Managing Director and Whole-time Director), was passed in the 25th Annual General Meeting held on 31st July, 2008.

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 .

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 29th July, 2011.

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 2010-11. Related party transactions have been disclosed in the Notes to the Annual Accounts of the Company for the year ended 31st March, 2011.
- 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 revised 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), Economics Times, and in The Hindu Business Line. 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.

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- 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:

28th Annual General Meeting

Date & Time : 29th July, 2011 at 9.30 a.m.

Venue : Hall No. S-14, 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 29th July, 2011.

Financial Year/Caleder

Financial Year	1 st April to 31 st 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 16th day of July, 2011 to Friday, the 29th day of July, 2011 (both days inclusive)**, for determining the entitlement of the final dividend for the financial year 2010-2011.

Dividend Payment Date - On or after 2nd August, 2011.

Listing on Stock Exchange

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

Name of the 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.

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

Annual listing fees for the year 2011-12, as applicable, have been paid to both the Stock Exchanges.

The Company has also paid Annual custodial fees for the year 2011-12, as applicable, to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Code

Bombay Stock Exchange Ltd.	532526
National Stock Exchange of India Ltd.	‘DISHMAN’, ‘EQ’
Demat ISIN Number in NSDL & CDSL for Equity Shares	INE353G01020
ISIN No. of Privately Placed Non Convertible Debenture (NCD) 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% 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.

Dishman Pharmaceuticals and Chemicals Limited

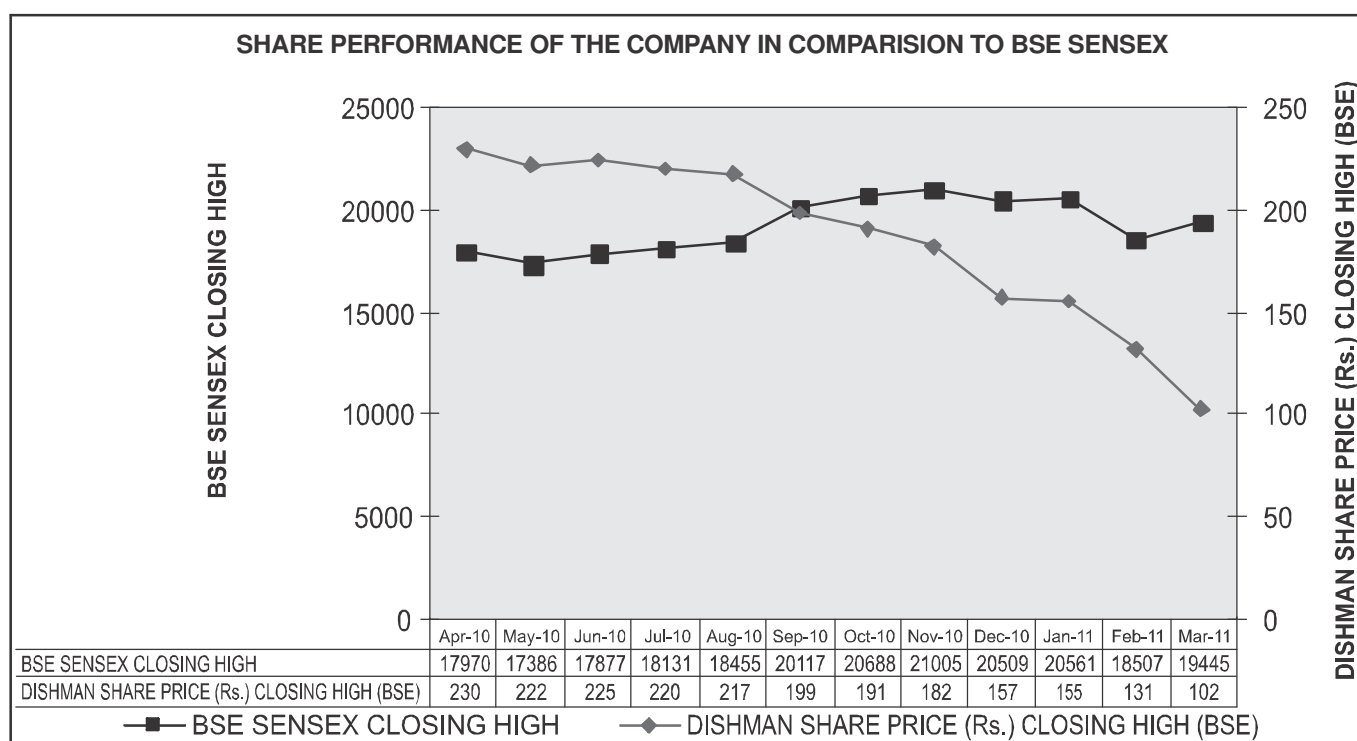
Market Price Data

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 shares.

(Price in Rs. per share)

MONTH	NSE			BSE			Total Volume (NSE & BSE)
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume	
APRIL, 2010	229.15	215.80	4425518	230.05	215.60	1345353	5770871
MAY,2010	222.60	203.90	1527736	221.75	204.05	592107	2119843
JUNE,2010	225.75	192.70	1777145	225.00	193.10	691610	2468755
JULY,2010	219.75	207.20	1516830	219.95	206.75	513598	2030428
AUGUST,2010	217.25	189.90	2988714	217.25	190.05	1258612	4247326
SEPTEMBER,2010	198.50	175.05	4072983	198.50	181.05	1444769	5517752
OCTOBER,2010	191.10	176.45	1822792	190.85	176.80	999989	2822781
NOVEMBER,2010	182.30	131.25	2929675	182.45	132.15	640816	3570491
DECEMBER,2010	156.60	128.00	5876474	156.55	128.80	1958788	7835263
JANUARY,2011	154.35	132.60	1163693	154.65	132.50	333316	1497009
FEBRUARY,2011	130.65	88.75	3036373	130.95	89.05	998323	4034696
MARCH,2011	103.45	95.00	3032616	102.10	94.60	945048	3977664

Performance in comparison to BSE Sensex:



Dishman Pharmaceuticals and Chemicals Limited

Distribution Schedule & Share holding Pattern:

Distribution of Shareholding Pattern as on 31st March, 2011

No. of Equity Shares Held		No. of Share Holders	% of Share holders	No. of Equity Shares Held	% of total Holding
1	- 500	22393	92.1410	2593226	3.2140
501	- 1000	1035	4.2590	798365	0.9890
1001	- 2000	452	1.8600	683733	0.8470
2001	- 3000	138	0.5680	347460	0.4310
3001	- 4000	49	0.2020	175426	0.2170
4001	- 5000	52	0.2140	242786	0.3010
5001	- 10000	78	0.3210	563809	0.6990
10001 and	Above	106	0.4360	75292331	93.3020
Total		24303	100.0000	80697136	100.0000

Shareholding pattern

Sr No.	Category	As on March 31, 2011		As on March 31, 2010	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
1	Promoters	49388412	61.20	49141469	60.90
2	Mutual Fund & UTI	4737999	5.87	9454360	11.72
3	Bank, Financial Institutions (FI's), Insurance Companies	2104881	2.61	20000	0.02
4	Foreign Institutional Investors (FII's)	6519172	8.08	7266715	9.00
5	Private Bodies Corporate	12121711	15.02	10927218	13.54
6	Indian Public	5035388	6.24	3325575	4.13
7	Any Other				
	a) Non Resident Indian	497165	0.62	293118	0.36
	b) Clearing Members	292408	0.36	268681	0.33
	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, 2011, 80696740 equity shares of the Company, forming 99.99% of the Company's paid-up equity share capital, is in dematerialized form. The Company's shares are easily traded on both the stock exchanges i.e. BSE and NSE.

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. During the Company has not received any conversion Notice from the Bondholder for conversion of Bonds into Equity Shares of the Company upto 18th August, 2010. 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

Dishman Pharmaceuticals and Chemicals Limited

Branch Offices:**Ahmedabad**

211, Sudarshan Complex, Near Mithakhali Underbridge,
Navrangpura, Ahmedabad – 380 009
Tel. No.: 079-26465179, Fax No.: 022-26465179
Email: ahmedabad@linkintime.co.in

Bangalore

543/A, 7th Main, 3rd Floor, 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:0422-2314792/2315792
Fax:0422-2314792
Email: coimbatore@linkintime.co.in

Mumbai, Fort

203,Davar House, Next to Central Camera, DN Road, Fort,
Mumbai-400001.
Tel:022-22694127, Fax:022-26465179
Email : vivek.limaye@linkintime.co.in

Kolkata

59C, Chowringhee Road, 3rd Floor, Kolkata-700020
Tel:033-22890539/40,Fax: 033-22890539/40
Email: kolkata@linkintime.co.in

New Delhi

A-40, 2nd Floor, Naraina Industrial Area, Phase-II,
Near Batra Banquet, 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.

Dishman Pharmaceuticals and Chemicals Limited

Plant Location

- 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.
(Also various other Adjacent Plots).

Address of the Correspondence

Investors Correspondence for transfer / dematerialisation of shares and any other query relating to the shares of the the company	Link Intime India Pvt Ltd [Fomally 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: deepak@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.

Dishman Pharmaceuticals and Chemicals Limited

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, 2011 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)

Ahmedabad, May 26, 2011

Gaurav J. Shah
(Membership No.35701)