

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
DIL LIMITED**

1. We have reviewed the Standalone Unaudited Financial Results and also the Consolidated Unaudited Financial Results of **DIL LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of profit/loss after tax and total comprehensive income/loss of its associate for the quarter ended June 30, 2019, included in the accompanying Statement of Standalone and Consolidated Unaudited Financial Results for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent, pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Management of the Parent and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Consolidated unaudited financial results in the Statement includes the interim financial results / interim financial information of the following entities:

Parent

1. DIL Limited

Direct Subsidiaries

2. Aegean Properties Limited
3. CC Square Films Limited
4. Fermenta Biotech Limited

Step Down subsidiaries

5. Fermenta Biotech (UK) Limited
6. G. I. Biotech Private Limited

Associate

7. Health and Wellness India Private Limited

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5. The Parent has given share application money of ₹ 597.00 Lakhs to an entity whose accumulated losses (other equity) at ₹ 4,733.61 Lakhs substantially exceed its equity share capital of ₹ 1,920.55 Lakhs, as at March 31, 2019, as per the latest available audited financial results for the quarter and year ended March 31, 2019. Further, the independent auditors of that entity, in their adverse audit report dated May 30, 2019 on the aforesaid financial results, have, amongst various adverse remarks, inter-alia reported that the entity is under insolvency proceedings from May 14, 2018, the entity's operations have been suspended since December 2006, and have also expressed their inability to comment whether the entity's assets would be adequate to meet its liabilities and that the entity cannot be considered as a "Going Concern" [See note 4 of the Statement]. For the reasons stated in the said note 4 of the Statement, the Management of Parent believes that no impairment is deemed necessary. Having regard to the foregoing and in the absence of sufficient appropriate information, we are unable to comment whether the aforesaid outstanding share application money would be recoverable including the consequential impact, if any, of such impairment that may be required to be made, both, in the standalone unaudited financial results and in the consolidated unaudited financial results.

This matter was also qualified in our review report on the unaudited standalone and consolidated financial results for the quarter ended June 30, 2018 and in our audit report on the audited standalone and consolidated financial results for the quarter and year ended March 31, 2019.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, except for the possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to note 6(a) on the Statement regarding the Parent having filed an application seeking sanction of the scheme of amalgamation of Fermenta Biotech Limited, its subsidiary, with the Parent, to National Company Law Tribunal (NCLT), Mumbai with the appointed date of April 1, 2018. As stated in the said note 6(a), the above Scheme shall be effective post receipt of approval from the NCLT.

Our conclusion on the Statement is not modified in respect of this matter.

8. We did not review the interim financial information of 3 subsidiaries included in the consolidated unaudited financial results, included in the Statement, whose interim financial information reflect total revenues of ₹ 4.50 Lakhs for the quarter ended June 30, 2019, total net profit after tax of ₹ 2.53 Lakhs for the quarter ended June 30, 2019 and total comprehensive income of ₹ 2.53 Lakhs for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, included in the Statement. The above figures are before giving effect of any consolidation adjustments. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management of the Parent and our conclusion on the consolidated unaudited financial results, included in the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the consolidated unaudited financial results, included in the Statement, is not modified in respect of these matters.

9. The consolidated unaudited financial results, included in the Statement, include interim financial information of a subsidiary which has not been reviewed by their auditors, whose interim financial information reflect total revenue of ₹ Nil for the quarter ended June 30, 2019, total loss after tax of ₹ 1.16 Lakhs for the quarter ended June 30, 2019 and total comprehensive loss of ₹ 1.16 Lakhs for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, included in the Statement. The consolidated unaudited financial results also includes the Group's share of profit/loss after tax of ₹ Nil for the quarter ended June 30, 2019 and total comprehensive income/loss of ₹ Nil for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, included in the Statement, in respect of an associate, based on their interim financial information which has not been reviewed by their auditors. According to the information and explanations given to us by the Management of the Parent, these interim financial information are not material to the Group.

Our Conclusion on the consolidated unaudited financial results, included in the Statement, is not modified in respect of our reliance on the interim financial information certified by the Management of the Parent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

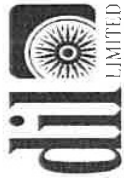


Rajesh K. Hiranandani
Partner
(Membership No. 36920)
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Place: Mumbai
Date: August 05, 2019

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Sr.No.	Particulars	Standalone						Consolidated					
		Quarter Ended		Year Ended		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018	March 31, 2019
1	Income	535.24	507.92	452.93	1,935.41	8,118.17	9,158.37	8,011.97	9,158.37	2,622.50	2,838.31	2,622.50	10,320.06
	a) Revenue from operations	5.54	10.39	9.79	32.26	290.79	125.12	332.92	125.12	71.20	187.54	71.20	1,236.52
	b) Other income	540.78	518.31	462.72	1,967.67	8,408.96	9,283.49	8,344.89	9,283.49	8,344.89	8,344.89	8,344.89	41,703.56
2	Total Income (a+b)												
3	Expenses												
	a) Cost of materials consumed					2,050.45	2,838.31	2,622.50	2,838.31	2,622.50	2,838.31	2,622.50	10,320.06
	b) Purchases of stock in trade					0.39	22.54	71.20	22.54	71.20	187.54	71.20	187.54
	c) Change in inventories of finished goods, stock-in-trade and work-in-progress					(70.85)	(963.19)	(660.89)	(963.19)	(660.89)	(660.89)	(660.89)	(1,282.35)
	d) Employee benefits expense	112.81	177.22	151.75	567.37	1,400.85	1,514.68	1,052.33	1,514.68	1,052.33	1,052.33	5,317.79	
	e) Finance costs	412.76	400.65	387.87	1,596.08	493.14	588.54	438.98	588.54	438.98	588.54	2,065.31	
	f) Depreciation and amortisation expense	93.50	99.53	101.60	378.53	349.50	309.03	281.37	309.03	281.37	309.03	1,188.75	
	g) Commission on sales					354.64	302.10	543.48	302.10	543.48	543.48	2,312.94	
	h) Allowance for doubtful trade receivables					4.35	(4.70)	21.71	(4.70)	21.71	64.34	64.34	223.34
	i) Provision for impairment of non-current investments and financial assets in associates												
	j) Other expenses	265.12	303.41	263.48	1,089.74	1,927.23	2,344.50	1,777.44	2,344.50	1,777.44	2,344.50	1,777.44	8,435.23
4	Total expenses (a to j)	884.19	919.30	904.70	4,532.57	6,509.70	6,951.81	6,148.12	6,951.81	6,148.12	6,951.81	6,148.12	28,832.95
5	Profit/(Loss) before tax (2 - 3)	(343.41)	(400.99)	(441.98)	(2,564.90)	1,899.26	2,331.68	2,196.77	2,331.68	2,196.77	2,196.77	2,196.77	12,870.61
6	Tax expense												
	a) Current tax												
	b) Deferred tax charge/(credit)	(120.27)	(2,297.83)		(2,297.83)	486.00	579.39	567.64	(2,094.85)	(39.08)	567.64	3,195.65	
7	Total tax expense (a+b)	(120.27)	(2,297.83)		(2,297.83)	486.00	579.39	567.64	(2,094.85)	(39.08)	567.64	3,195.65	
8	Profit / (Loss) for the period after tax but before share of profit/(loss) of associates and a joint venture, and non-controlling interests (4-5)	(223.14)	1,896.84	(441.98)	(267.07)	1,405.67	3,847.14	1,668.21	3,847.14	1,668.21	3,847.14	1,668.21	11,790.26
9	Share of profit / (loss) of associates and a joint venture												
10	Net Profit / (Loss) after tax and share of profit/(loss) of associates and a joint venture but before non-controlling interests (6+7)	(223.14)	1,896.84	(441.98)	(267.07)	1,405.67	3,847.14	1,668.21	3,847.14	1,668.21	3,847.14	1,668.21	11,790.26
11	Profit / (Loss) for the period after tax, share of profit/(loss) of associates and a joint venture, and non-controlling interests (8+9)	(223.14)	1,896.84	(441.98)	(267.07)	1,405.67	3,847.14	1,668.21	3,847.14	1,668.21	3,847.14	1,668.21	11,790.26
12	Other Comprehensive Income (A) Items that will not be reclassified to Profit or Loss (B) Items that will be reclassified to Profit or Loss	2.22	(85.70)	2.49	(82.82)	2.22	(151.49)	2.49	(151.49)	2.49	(151.49)	2.49	(148.61)
13	Total Comprehensive Income for the period (8+11)	2.22	(85.70)	2.49	(82.82)	2.22	(151.49)	2.49	(151.49)	2.49	(151.49)	2.49	(148.61)
14	Attributable to:	(220.92)	1,811.14	(439.49)	(349.89)	1,407.89	3,695.65	1,660.95	3,695.65	1,660.95	3,695.65	1,660.95	11,598.87
	- Owners of the parent												
	- Non-controlling interests	458.64	458.64	229.32	458.64	458.64	458.64	229.32	458.64	229.32	458.64	229.32	458.64
15	Paid-up equity share capital (Face value ₹ 5/- per share) (see Note 5(a))												
16	Reserves and surplus												
17	Earnings per equity share of ₹ 5 each (Post split and Post bonus (not annualised) - see Note 5 (a))												
18	₹ Basic	(2.43)	20.68	(4.82)	(2.91)	14.21	40.59	16.64	40.59	16.64	40.59	16.64	120.31
19	₹ Diluted	(2.43)	20.68	(4.82)	(2.91)	14.21	40.59	16.64	40.59	16.64	40.59	16.64	120.31

See accompanying notes to the Standalone and Consolidated unaudited financial results

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NOTES:

1 Segment Information

Particulars	Consolidated			
	Quarter ended			Year Ended
	Unaudited	Audited	Unaudited	
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	(Note 8)			
Segment revenue				
- Bulk drugs/chemicals	7,699.99	8,754.32	7,650.72	38,925.52
- Property	539.74	512.42	457.43	1,953.41
- Unallocated	316.89	125.12	332.92	1,236.52
Total	8,556.62	9,391.86	8,441.07	42,115.45
Less: Inter-segment revenue	147.66	108.37	96.18	411.89
Total Income	8,408.96	9,283.49	8,344.89	41,703.56
Segment results				
- Bulk drugs/chemicals	2,350.29	2,913.90	2,686.26	15,149.14
- Property	165.54	(42.86)	201.94	582.97
- Unallocated (Net)	(122.99)	48.15	(252.01)	(1,534.91)
Total	2,392.84	2,919.19	2,636.19	14,197.20
Less: Inter-segment results	(0.44)	1.03	(0.44)	738.72
Total Profit before tax and before finance cost	2,392.40	2,920.22	2,635.75	14,935.92
Less: Finance costs	(493.14)	(588.54)	(438.98)	(2,065.31)
Total Profit before tax	1,899.26	2,331.68	2,196.77	12,870.61
Segment Assets				
- Bulk Drugs/chemicals	36,405.64	32,700.32	26,295.88	32,700.32
- Property	8,070.62	8,250.11	8,179.03	8,250.11
- Unallocated	14,480.44	14,540.41	8,159.39	14,540.41
Total Segment Assets	58,956.70	55,490.84	42,634.30	55,490.84
Segment liabilities				
- Bulk Drugs/chemicals	7,364.57	7,456.78	6,545.89	7,456.78
- Property	1,114.67	1,181.03	1,405.22	1,181.03
- Unallocated	23,875.10	21,796.43	19,281.63	21,796.43
Total Segment liabilities	32,354.34	30,434.24	27,232.74	30,434.24

Footnote:
The Company on standalone basis has only one primary business segment viz. Renting of Properties

- DIL Limited (the Company) is in the business of renting properties. The Company also has strategic investments in subsidiaries and an associate which are engaged in manufacturing of bulk drugs and providing services of sporting and health awareness activities.

The unaudited financial results included in the above statement of standalone and consolidated results includes the financial information of one subsidiary and one associate on the basis of unaudited financial information prepared by the Management which have not been reviewed or audited by their auditors. The said interim financial information is not material to the consolidated results.
- These unaudited standalone and consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- The Company has not made any provision for share application money of ₹ 597.00 Lakhs given to Noble Explochem Ltd (Noble) whose total equity as at 31st March, 2019 is negative. One of the creditors of Noble has moved an application to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016. The Company has also submitted its claim as financial creditors to insolvency Resolution Professional (IRP) to protect its interest, which has been taken on the record by the NCLT. Considering the large asset value Noble holds, the management is confident of recovery of this amount, hence no provision for impairment is necessary. The Statutory auditors have modified their review report in respect of the foregoing matter.
- (a) During the year ended 31st March, 2019, the Company had split the face value of equity shares of the Company from face value of ₹ 10 per share to face value of ₹ 5 per share and thereafter had also allotted bonus equity shares in the ratio of one fully paid up equity share of ₹ 5 each for every one existing fully paid up equity share of ₹ 5 each held by the members, which has been approved by the shareholders through postal ballot. The record date for implementation of above corporate events was fixed on 9th August, 2018. In view of the above, the Company's revised paid up share capital as at 30th June, 2019 and 31st March, 2019 is ₹ 458.64 Lakhs consisting of 91,72,792 equity shares of ₹ 5 each as against paid up share capital of ₹ 229.32/- lakhs consisting of 22,93,198 equity shares of ₹ 10/- each pertaining to previous period.

The earnings per share has been adjusted for the previous period presented in accordance with Ind AS 33 "Earnings per Share" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued hereunder.

(b) The Board of Directors in its meeting dated 24th May, 2019 had recommended a dividend of 25% (₹ 1.25 per fully paid equity shares of ₹ 5 each) for the year ended 31st March, 2019, which has been approved by the shareholders at the AGM held on 8th July, 2019 for payment.
- (a) The Board of Directors in its meeting held on 21st June, 2018, had approved the scheme of amalgamation of Fermenta Biotech Limited (FBL), a subsidiary of the Company, with the Company. The Company, had filed an application seeking sanction of the scheme of amalgamation to National Company Law Tribunal (NCLT), Mumbai, with the appointed date of 1st April, 2018. The Scheme was approved by the shareholders of the Company and FBL at the NCLT convened meeting of shareholders held on 8th July, 2019. The above Scheme is now pending final approval from the NCLT and accordingly, the Standalone and Consolidated unaudited financial results do not reflect the impact, on account of the Scheme.

(b) The aforesaid scheme of amalgamation, when effective, will enable the Company to utilize the funds available with FBL for purposes, including, to settle its current liabilities, which as at 30th June, 2019 exceed its current assets by ₹ 1,684.90 Lakhs (other than amount aggregating ₹ 1,843.54 Lakhs due to FBL) as per the standalone unaudited financial results of the Company and funds required for the Company for ongoing business activities. Pending the scheme becoming effective, FBL would continue to provide financial support to the Company, as and when required.
- (a) Considering the Scheme of Amalgamation as mentioned in Note 6(a), as at 31st March, 2019, the Company had recognised a deferred tax asset (DTA) on the basis that it will be able to utilise carry forward losses and depreciation against taxable profits of FBL.

(b) Subsequent event not requiring adjustment in these unaudited results: The Finance (No. 2) Bill, 2019 has stipulated the rate of income tax at 25 percent of the total income in case of a domestic company, where its total turnover or the gross receipt in the previous year 2017-2018 does not exceed ₹ 40,000 Lakhs. Should the Finance Bill be eventually enacted, this change of income tax rate at 25 percent from the current 30 percent would have material impact by way of reduction in the carrying amount of deferred tax as at 30th June, 2019 and a corresponding charge to the profit and loss on account of reversal of DTA. The carrying amount of net DTA recognised as at 30th June, 2019 in Standalone is ₹ 2,418.10 Lakhs; and in Consolidated is ₹ 1,924.11 Lakhs and the estimated reversal of DTA, should the finance bill be eventually enacted, in Standalone is ₹ 400 Lakhs; and in Consolidated is ₹ 325 Lakhs.
- The figures for the quarter ended 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2019 and the unaudited published year to date figures upto nine months of the relevant financial year which were subject to limited review by the statutory auditors.
- Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April, 2019, by electing retrospective approach with the cumulative effect at the date of initial application. The impact of adoption of the standard is not material on the (loss) after tax and profit after tax for the quarter ended 30th June, 2019 in the standalone unaudited financial results and the consolidated unaudited financial results, respectively.
- The above unaudited standalone and consolidated financial results of the Company for the quarter ended 30th June, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 5th August, 2019. The statutory auditors of the Company have conducted a limited review of the above unaudited standalone and consolidated financial results for the quarter ended 30th June, 2019.



Place: Thane
5th August, 2019

Krishna Datla
Managing Director

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