

Ref: RKH/2018-19/03

To,  
The Board of Directors  
DIL Limited,  
A-1601, Thane One,  
DIL Complex, Ghodbunder Road,  
Majiwada, Thane (West) - 400 610  
Maharashtra, India

**CERTIFIED TRUE COPY**

For DIL Limited  
  
Srikant N. Sharma  
Company Secretary

**Independent Auditor's Certificate certifying the accounting treatment contained in Clause 15 of the Proposed Scheme of Amalgamation**

1. This certificate is issued in accordance with the terms of our engagement letter dated June 1, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of DIL Limited ("the Company" or "the Transferee Company"), have examined the proposed accounting treatment specified in Clause 15, of the Proposed Scheme of Amalgamation Under Sections 230 to 232 of the Companies Act, 2013 of Fermenta Biotech Limited ("the Transferor Company") and the Transferee Company, and their respective shareholders ("the Proposed Scheme"), for amalgamation of the transferor Company into the Transferee Company, approved by the Board of Directors of the Company at their meeting held on June 21, 2018, with reference to its compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the rules made there under and other generally accepted accounting principles in India.

**Management's responsibility**

3. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards, read with the rules made there under and other generally accepted accounting principles in India as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditor's responsibility**

4. Our responsibility is only to examine and report whether the accounting treatment in the books of account of the Transferee Company contained in Clause 15 of the Proposed Scheme referred above comply with the applicable Indian Accounting Standards, and Other Generally Accepted Accounting Principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.



5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("the ICAI") and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Proposed Scheme.

**Opinion**

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the accounting treatment contained in Clause 15 of the Proposed Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, in terms of the provisions of Sections 230 to 232 of the Act, with reference to its compliance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with the rules made there under, and Other Generally Accepted Accounting Principles in India, as applicable.
8. For ease of references, Clause 15 of the Proposed Scheme, duly authenticated on behalf of the Company, is reproduced in the Annexure to this Certificate and is initialed by us only for the purposes of identification.

**Restriction on use**

9. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to BSE Limited, Securities and Exchange Board of India, Ministry of Corporate Affairs and for filing an application pursuant to the requirements of Sections 230 to 232 of the Act with the National Company Law Tribunal, Mumbai and other concerned statutory authorities in connection with the approval of the Proposed Scheme. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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



Rajesh K. Hiranandani  
Partner  
Membership No. 36920



Mumbai: July 5, 2018



Annexure to Independent Auditor's Certificate certifying the accounting treatment contained in Clause 15 of the Proposed Scheme of Amalgamation

Extract of the proposed accounting treatment specified in Clause 15 of the Proposed Scheme of Amalgamation Under Sections 230 to 232 of the Companies Act, 2013 of Fermenta Biotech Limited ("the Transferor Company") and DIL Limited ("the Transferee Company"), and their respective shareholders ("the Proposed Scheme")

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The Transferee Company shall account for amalgamation in accordance with Indian Accounting Standard ("IND AS") 103 – "Business Combinations" prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

The Transferee Company shall account for the transfer and vesting of the Assets and Liabilities of the Undertaking in its books of accounts as per the "Pooling of Interest" method prescribed under Appendix C to Indian Accounting Standard - 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India as under:

- The Transferee Company shall, record all the assets and liabilities of the Undertaking vested in it pursuant to this Scheme at the respective carrying amounts. The financial information in the financial statements of the Transferee Company, to be prepared after the amalgamation, in respect of prior periods will be restated to include the financial information of the Transferor Company as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- The identity of the reserves standing in the books of account of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form, as they appeared in the financial statements of the Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after the amalgamation.
- The balance of the retained earnings in the books of account of the Transferor Company shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.
- As stated in Clause 13 of the Proposed Scheme, no new shares will be issued or allotted by the Transferee Company, pursuant to this scheme, to the extent of paid up equity share of Transferor Company held by Transferee Company, and the investments in the shares of the Transferor Company appearing, inter alia, in the books of account of the Transferee Company shall stand cancelled. Further, the equity shares to be issued or allotted pursuant to Clause 12 of the Proposed Scheme as a Consideration to the other shareholders of the Transferor Company shall be recognised in the books of account of the Transferee Company at nominal value. The difference between the amount of the share capital issued to other shareholders plus any additional consideration and the amount of share capital of the Transferor Company shall be transferred to the capital reserve in the books of account

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**For Identification**  
**Deloitte Haskins & Sells LLP**

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Annexure to Independent Auditor's Certificate certifying the accounting treatment contained in Clause 15 of the Proposed Scheme of Amalgamation

Extract of the proposed accounting treatment specified in Clause 15 of the Proposed Scheme of Amalgamation Under Sections 230 to 232 of the Companies Act, 2013 of Fermenta Biotech Limited ("the Transferor Company") and DIL Limited ("the Transferee Company"), and their respective shareholders ("the Proposed Scheme")

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of the Transferee Company and such capital reserve shall be presented separately from other capital reserves.

- The inter-company deposits, loans & advances and other balances, if any, in the books of the account of the Transferee Company and the Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Other Equity to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian Accounting Standards and other generally accepted accounting principles in India.

On behalf of the Board of Directors of DIL Limited

  
Krishna Datta  
Managing Director

  
Sumesh Gandhi  
Chief Financial Officer

Thane, 5.7.2018

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For Identification  
Deloitte Haskins & Sells LLP