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Fermenta Biotech Limited (Formerly Known as DL Limited)

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STATEMENT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Sl. No.	Particulars	Standalone						Consolidated							
		Quarter Ended			Audited Year Ended			Quarter Ended			Audited Year Ended				
		Unaudited	Unaudited	Unaudited	March 31, 2020	March 31, 2019	March 31, 2019	Unaudited	Unaudited	Unaudited	March 31, 2020	March 31, 2019	March 31, 2019		
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2019		
1	Income														
	a) Revenue from operations	7,209.57	9,158.44	40,467.24	30,050.65	40,467.24	6,454.06	6,445.14	9,159.37	29,204.92	40,467.04	1,237.30	3,236.52	1,237.30	3,236.52
	b) Other income	204.54	344.33	1,231.37	1,231.37	1,231.37	253.82	253.82	325.12	1,237.30	1,237.30	3,236.52	3,236.52	3,236.52	3,236.52
	Total Income (a+b)	7,414.11	9,502.77	41,698.61	31,282.02	41,698.61	6,707.88	6,699.02	9,484.49	30,522.22	41,704.34	4,473.82	6,473.04	4,473.82	6,473.04
2	Expenses														
	a) Cost of materials consumed	2,932.70	2,638.31	10,320.06	10,298.33	10,320.06	3,197.64	2,266.92	2,938.31	10,561.26	10,320.06	10,561.26	10,320.06	10,320.06	10,320.06
	b) Purchases of stock-in-trade	13.22	20.28	187.54	50.15	187.54	11.22	20.28	22.54	50.15	50.15	187.54	187.54	187.54	187.54
	c) Change in inventories of finished goods, stock-in-trade and work-in-progress	(444.28)	(588.93)	(1,282.35)	(2,078.85)	(1,282.35)	(1,074.33)	(588.93)	(963.19)	(2,708.90)	(1,282.35)	(2,708.90)	(2,708.90)	(2,708.90)	(2,708.90)
	d) Employee benefits expense	1,098.48	1,247.37	5,317.79	5,003.15	5,317.79	1,098.48	1,247.37	1,514.68	5,003.15	5,317.79	5,003.15	5,317.79	5,317.79	5,317.79
	e) Finance costs	403.61	539.31	1,932.04	1,932.04	1,932.04	399.12	539.31	534.81	1,932.04	1,932.04	1,932.04	1,932.04	1,932.04	1,932.04
	f) Depreciation and amortisation expense	392.67	379.84	1,493.83	1,493.83	1,493.83	392.67	379.84	392.67	1,493.83	1,493.83	1,493.83	1,493.83	1,493.83	1,493.83
	g) Commission on sales	30.33	(194.79)	2,312.94	908.81	2,312.94	30.33	(194.79)	302.10	908.81	2,312.94	908.81	908.81	908.81	908.81
	h) Allowance for doubtful trade receivables	80.69	(4.70)	64.34	91.46	64.34	80.69	(4.70)	4.14	91.46	64.34	91.46	64.34	64.34	64.34
	i) Provision for impairment of non-current investments and financial assets in associates		(61.48)	900.85		900.85		(61.48)							
	j) Other expenses	2,146.49	2,417.59	8,517.45	8,830.39	8,517.45	2,146.49	2,417.59	2,344.50	8,865.27	8,517.45	8,865.27	8,517.45	8,435.23	8,435.23
	Total expenses (a to i)	6,653.91	6,170.13	25,589.25	26,527.31	25,589.25	6,306.24	6,182.73	6,951.81	26,165.21	25,589.25	26,165.21	25,589.25	26,165.21	26,165.21
	Profit/(Loss) before tax (2 - 3)	850.20	2,318.52	12,112.03	4,754.66	12,112.03	411.64	810.96	2,331.68	4,342.01	12,870.61	4,342.01	12,870.61	12,870.61	12,870.61
	Tax expense (see Note 6)														
	a) Current tax	150.04	146.69	336.55	336.55	336.55	149.65	147.57	336.55	336.55	336.55	336.55	336.55	336.55	336.55
	b) Deferred tax charge/(credit)	(50.64)	(204.47)	(1,948.92)	(1,948.92)	(1,948.92)	(50.64)	(204.47)	(204.47)	(1,948.92)	(1,948.92)	(1,948.92)	(1,948.92)	(1,948.92)	(1,948.92)
	Total tax expense (a+b)	99.40	(155.78)	(1,612.37)	(1,612.37)	(1,612.37)	99.02	(155.78)	(155.78)	(1,612.37)	(1,612.37)	(1,612.37)	(1,612.37)	(1,612.37)	(1,612.37)
	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)	720.80	975.20	11,035.29	6,367.04	11,035.29	312.62	965.90	3,847.14	5,952.02	11,790.26	5,952.02	11,790.26	11,790.26	11,790.26
	Share of profit/(loss) of associates and a joint venture														
	Net Profit/(Loss) after tax and share of profit/(loss) of associates and a joint venture but before non-controlling interests (6+7)	720.80	975.20	11,035.29	6,367.04	11,035.29	312.62	965.90	3,847.14	5,952.02	11,790.26	5,952.02	11,790.26	11,790.26	11,790.26
	Non-controlling interests														
10	Profit/(Loss) for the period after tax, share of profit/(loss) of associates and a joint venture, and non-controlling interests (8+9)	720.80	975.20	11,035.29	6,367.04	11,035.29	312.62	965.90	3,847.14	5,952.02	11,790.26	5,952.02	11,790.26	11,790.26	11,790.26
11	Other Comprehensive Income														
	(A) Items that will not be reclassified to Profit or Loss	173.87	(151.49)	(148.61)	181.90	(148.61)	173.87	3.22	(151.49)	181.90	(148.61)	173.87	3.22	(151.49)	(148.61)
	(B) Items that will be reclassified to Profit or Loss	173.87	1151.49	(148.61)	181.90	(148.61)	182.20	3.22	1151.49	190.23	(148.61)	182.20	3.22	1151.49	(148.61)
	Total other comprehensive income/(Loss) (A+B)	854.67	978.42	10,866.68	6,548.94	10,866.68	494.87	969.17	3,695.65	6,142.25	11,598.87	3,695.65	6,142.25	11,598.87	11,598.87
12	Attributable to:														
	Owners of the parent	1,442.37			1,442.37		1,442.37					1,442.37			
	Non-controlling interests		480.79			480.79		480.79					480.79		480.79
13	Paid-up equity share capital (Face value ₹ 5/- per share)														
	- 2,88,47,322 number of equity shares (See Note 8)														
	Paid-up equity share capital (Face value ₹ 5/- per share)														
	- 96,15,774 number of equity shares														
	Paid-up equity share capital (Face value ₹ 5/- per share)														
	- 9,17,792 number of equity shares														
	Add Equity shares pending issuance (See Note 6(a))														
	- 442,882 number of equity shares														
	Total no. of equity share issued and paid up and pending issuance (see note 8)														
14	Earnings per equity share of ₹ 5 each (Post Bonus* (not annualised) - see note 8)														
	*28,847,322 number of equity shares														
	a) ₹ Basic	2.50	3.38	38.25	22.07	38.25	1.08	3.35	13.33	20.63	40.72	3.35	20.63	20.63	20.63
	b) ₹ Diluted	2.50	3.38	38.24	21.96	38.24	1.09	3.34	13.32	20.53	40.70	3.34	20.53	20.53	20.53

See accompanying notes to the Standalone and Consolidated financial results

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Notes

1 Balance Sheet as at		₹ in Lakhs			
PARTICULARS		Standalone		Consolidated	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Audited	Audited	Audited	Audited
			[Refer Note 6(a)]		[Refer Note 6(a)]
ASSETS					
1	Non-current assets				
(a)	Property, plant and equipment	10,395.19	9,722.81	10,400.35	9,730.32
(b)	Capital work-in-progress	6,707.51	2,072.16	6,707.51	2,072.16
(c)	Right of use assets	1,615.70	-	1,428.46	-
(d)	Investment property	7,075.00	7,330.56	7,126.17	7,382.81
(e)	Goodwill	411.65	411.65	412.79	412.79
(f)	Other intangible assets	184.06	230.20	647.56	230.20
(g)	Intangible assets under development	369.38	85.99	369.38	85.99
(h)	Investments				
i)	Investments in subsidiaries	85.30	65.97	-	-
ii)	Investments in an associate	-	-	-	-
(i)	Financial assets				
i)	Investments	25.60	61.78	25.60	58.19
ii)	Share application money	-	597.00	-	597.00
iii)	Loans	25.00	25.32	25.00	25.32
iv)	Others financial assets	405.68	462.75	405.68	462.75
(j)	Deferred tax assets (net)	3,809.95	1,931.11	3,810.51	1,931.70
(k)	Non-current tax assets (net)	906.59	332.21	908.25	333.18
(l)	Other non-current assets	698.88	2,241.39	698.88	2,241.39
	Sub-total - Non-current assets	32,715.49	25,570.90	32,966.14	25,563.80
2	Current assets				
(a)	Inventories	11,354.43	8,766.53	12,858.19	8,766.53
(b)	Financial assets				
i)	Investments	-	114.79	-	114.79
ii)	Trade receivables	7,744.28	6,560.18	6,977.42	6,554.40
iii)	Cash and cash equivalents	677.41	4,036.27	751.45	4,076.50
iv)	Bank balances other than (iii) above	2,559.54	5,036.92	2,559.54	5,036.92
v)	Loans	2,130.00	1,180.26	2,130.00	1,180.26
vi)	Other financial assets	1,294.12	259.50	637.27	258.22
(c)	Other current assets	2,485.79	3,571.73	2,487.44	3,573.29
	Sub-total - Current assets	28,245.57	29,526.18	28,401.31	29,560.91
	TOTAL ASSETS	60,961.06	55,097.08	61,367.45	55,124.71
EQUITY AND LIABILITIES					
1	EQUITY				
(a)	Equity Share capital	1,442.37	458.64	1,442.37	458.64
(b)	Share Pending Issuance [see Note 6(a)]	-	22.15	-	22.15
(c)	Other Equity	29,817.82	24,467.88	29,501.17	24,573.99
	Equity attributable to the owners of the Company	31,260.19	24,948.67	30,943.54	25,054.78
(d)	Non-controlling interests	-	-	1.24	1.82
	Total Equity	31,260.19	24,948.67	30,944.78	25,056.60
2	Non-current liabilities				
(a)	Financial liabilities				
i)	Borrowings	10,178.67	13,520.93	10,178.67	13,520.93
ii)	Lease liabilities	450.96	-	264.07	-
iii)	Other financial liabilities	59.44	185.18	59.44	185.18
(b)	Provisions	405.83	630.94	405.83	630.94
(c)	Other non-current liabilities	54.93	133.41	54.93	133.41
	Sub-total - Non-current liabilities	11,149.83	14,470.46	10,962.94	14,470.46
3	Current liabilities				
(a)	Financial Liabilities				
i)	Borrowings	10,433.30	6,021.25	10,433.30	6,021.25
ii)	Lease liabilities	105.19	-	104.85	-
iii)	Trade payables				
	-Total outstanding dues of micro and small enterprises and;	98.01	97.89	98.01	97.89
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	4,619.37	4,246.45	5,535.46	4,174.08
iv)	Other financial liabilities	2,973.78	4,252.78	2,973.76	4,251.90
(b)	Provisions	55.76	57.28	48.71	50.23
(c)	Other current liabilities	233.61	489.79	233.62	489.79
(d)	Current tax liabilities (Net)	32.02	512.51	32.02	512.51
	Sub-total - Current liabilities	18,551.04	15,677.95	19,459.73	15,597.65
	TOTAL EQUITY AND LIABILITIES	60,961.06	55,097.08	61,367.45	55,124.71

NOTES:

7A Segment Information

Particulars	Standalone						Year Ended March 31, 2019 [Refer Note 6(a)]
	Quarter ended		Year Ended		Year Ended		
	Unaudited March 31, 2020	Unaudited December 31, 2019	Unaudited March 31, 2019	Audited March 31, 2020	Audited March 31, 2019	Audited March 31, 2019	
	[Refer Note 12]						
Segment revenue	6,754.11	6,219.95	8,754.32	28,305.62	38,925.52		
- Bulk drugs/chemicals	443.16	425.66	507.91	1,945.05	1,935.40		
- Property	276.84	344.33	122.65	1,313.66	1,233.94		
- Unallocated	7,474.11	6,989.54	9,384.88	31,564.33	42,094.86		
Total	7,474.11	6,989.54	103.80	282.36	393.58		
Less: Inter-segment revenue			9,281.08	31,281.97	41,701.28		
Total Income							
Segment results	1,117.13	765.14	2,907.39	5,958.00	15,146.13		
- Bulk drugs/chemicals	119.99	122.44	(45.06)	571.30	569.60		
- Property	(13.31)	471.14	44.73	157.40	(1,538.39)		
- Unallocated (Net)	1,223.81	1,358.72	2,907.06	6,686.70	14,177.94		
Total	1,223.81	1,358.72	2,907.06	6,686.70	14,177.94		
Less: Inter-segment results			2,907.06	6,686.70	14,177.94		
Total Profit before tax and before finance cost	1,223.81	1,358.72	2,907.06	6,686.70	14,177.94		
Less: Finance costs	(403.61)	(539.31)	(588.54)	(1,932.04)	(2,065.31)		
Total Profit before tax	820.20	819.41	2,318.52	4,754.66	12,112.03		
Segment Assets							
- Bulk Drugs/chemicals	40,418.44	36,897.65	32,722.75	40,418.44	32,722.75		
- Property	8,014.40	8,196.40	8,200.19	8,014.40	8,200.19		
- Unallocated	12,528.22	13,606.05	14,174.13	12,528.22	14,174.13		
Total Segment Assets	60,961.06	60,700.09	55,097.08	60,961.06	55,097.08		
Segment liabilities							
- Bulk Drugs/chemicals	6,278.80	7,135.10	7,455.91	6,278.80	7,455.91		
- Property	813.85	860.03	1,255.39	813.85	1,255.39		
- Unallocated	22,608.22	22,468.91	21,437.11	22,608.22	21,437.11		
Total Segment liabilities	29,700.87	30,464.04	30,148.41	29,700.87	30,148.41		

7B Segment Information

Particulars	Consolidated						Year Ended March 31, 2019 [Refer Note 6(a)]
	Quarter ended		Year Ended		Year Ended		
	Unaudited March 31, 2020	Unaudited December 31, 2019	Unaudited March 31, 2019	Audited March 31, 2020	Audited March 31, 2019	Audited March 31, 2019	
	[Refer Note 12]						
Segment revenue	5,999.32	6,219.55	8,754.32	27,550.83	38,925.52		
- Bulk drugs/chemicals	447.61	430.21	512.42	1,963.05	1,953.41		
- Property	275.19	348.05	125.12	1,313.70	1,236.52		
- Unallocated	6,722.12	6,997.80	9,391.86	30,827.58	42,115.45		
Total	4.24	4.61	108.37	300.36	411.89		
Less: Inter-segment revenue	6,717.88	6,993.19	9,283.49	30,527.22	41,793.56		
Total Income							
Segment results	692.96	767.25	2,913.90	5,533.83	15,149.14		
- Bulk drugs/chemicals	128.12	96.82	(42.86)	563.10	582.97		
- Property	(13.30)	480.15	46.15	157.41	(1,534.91)		
- Unallocated (Net)	807.78	1,346.22	2,919.19	6,254.34	14,197.20		
Total	2.98	(0.45)	1.03	1.71	738.72		
Less: Inter-segment results	810.76	1,345.77	2,920.22	6,256.05	14,935.92		
Total Profit before tax and before finance cost	(399.12)	(534.81)	(588.54)	(1,914.04)	(2,065.31)		
Less: Finance costs	411.64	810.96	2,331.68	4,342.01	12,870.61		
Total Profit before tax							
Segment Assets							
- Bulk Drugs/chemicals	40,580.16	36,674.58	32,700.32	40,580.16	32,700.32		
- Property	8,069.03	8,254.45	8,250.11	8,069.03	8,250.11		
- Unallocated	12,718.26	13,792.82	14,174.28	12,718.26	14,174.28		
Total Segment Assets	61,367.45	60,721.86	55,124.71	61,367.45	55,124.71		
Segment liabilities							
- Bulk Drugs/chemicals	7,289.02	7,144.27	7,456.78	7,289.02	7,456.78		
- Property	814.09	862.51	1,181.03	814.09	1,181.03		
- Unallocated	22,319.56	22,360.75	21,430.30	22,319.56	21,430.30		
Total Segment liabilities	30,422.67	30,367.53	30,068.11	30,422.67	30,068.11		

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3 Statement of Cash Flows		(₹ in Lakhs)			
		Standalone		Consolidated	
Particulars	Year Ended		Year Ended		
	Audited	Audited	Audited	Audited	
	March 31,	March 31,	March 31,	March 31,	
	2020	2019	2020	2019	
	[Refer Note 6(a)]		[Refer Note 6(a)]		
A) CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	4,754.66	12,112.03	4,342.01	12,870.61	
Adjustments for:					
Depreciation and amortisation expense	1,493.83	1,185.32	1,499.97	1,188.75	
Net unrealised foreign exchange (gain)/loss	81.72	(139.41)	73.40	(139.41)	
Loss on sale/write off of property, plant and equipment (Net)	15.53	57.73	15.53	57.73	
Allowance for doubtful debts	91.46	64.34	91.46	64.34	
Allowance for doubtful inter-corporate deposit given to an associate		37.00		37.00	
Share based payments to employees	554.69	52.80	554.69	52.80	
Allowance for doubtful advances	31.96	3.24	31.96	3.24	
Gain on sale of equity shares of an associate				(2.79)	
Trade receivables and advances written off	42.33	27.39	42.33	21.13	
Provision for Impairment in the value of share application money in an associate		865.95		186.34	
Provision for impairment in the value of non-current investments	47.53		43.94		
Loss on sale of shares of an associate		61.48			
Net gain arising on financial assets measured at fair value through profit and loss		(8.90)		(8.90)	
Gain on sale of financial assets - current investments	(4.81)		(4.81)		
Finance costs	1,932.04	2,065.31	1,914.04	2,065.31	
Interest income	(564.53)	(419.81)	(564.53)	(419.81)	
Dividend income	(0.44)	(0.38)	(0.44)	(0.38)	
Liabilities / provisions no longer required written back	(296.59)		(296.59)		
Operating Profit before working capital changes	8,179.38	15,964.09	7,742.96	15,975.96	
Movements in working capital:					
(Increase)/decrease in trade receivables	(751.38)	261.91	9.70	267.09	
Increase in inventories	(2,587.90)	(3,648.65)	(4,091.66)	(3,648.65)	
(Increase)/decrease in other assets	476.01	(1,395.69)	1,131.50	(1,402.67)	
Increase in trade payables	566.21	300.33	1,554.66	279.88	
Increase in provisions	14.01	182.05	14.00	182.04	
Increase/(decrease) in other liabilities	(1,521.63)	668.40	(1,520.76)	666.39	
	4,374.70	12,332.44	4,840.40	12,320.04	
Income taxes paid (net of refunds)	(1,391.41)	(3,281.61)	(1,394.44)	(3,285.82)	
Net cash generated from operations (A)	2,983.29	9,050.83	3,445.96	9,034.22	
B) CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchase of property, plant and equipment, investment property, capital work-in-progress, intangible assets and intangible assets under development	(6,380.75)	(3,577.15)	(6,846.93)	(3,577.15)	
Proceeds on sale of property, plant and equipment		53.72		53.72	
Intercompany deposits given	(980.00)	(1,150.00)	(980.00)	(1,150.00)	
Interest received	460.09	292.74	460.09	292.74	
Proceeds from share application money received back	597.00		597.00		
Proceeds from sale of current investments	119.60		119.60		
Purchase of investments - In a subsidiary	(19.33)				
Proceeds from sale of shares of an associate		37.00		37.00	
Dividend received	0.44	0.38	0.44	0.38	
Deposits with a financial institution	(300.00)	(300.00)	(300.00)	(300.00)	
Deposits with Banks not considered as cash and cash equivalents (net)	2,583.88	(5,014.66)	2,583.88	(5,014.66)	
Net cash used in investing activities (B)	(3,919.07)	(9,657.97)	(4,365.92)	(9,657.97)	
C) CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from long term borrowings	3,085.98	1,317.95	3,085.98	1,317.95	
Repayment of long term borrowings	(6,528.31)	(759.92)	(6,528.31)	(759.92)	
Net increase in short term borrowings	1,688.96	2,852.31	1,688.96	2,852.31	
Finance costs	(2,055.93)	(2,042.78)	(2,055.93)	(2,042.78)	
Repayment of Lease Liabilities	(231.85)		(213.86)		
Dividends paid	(597.16)	(121.67)	(597.16)	(121.67)	
Dividend distribution tax paid	(124.42)	(23.57)	(124.42)	(23.57)	
Net cash generated from financing activities (C)	(4,762.73)	1,222.32	(4,744.74)	1,222.32	
Net increase in cash and cash equivalents (A)+(B)+(C)	(5,698.51)	615.18	(5,664.70)	598.57	
Cash and cash equivalents at the beginning of the year	3,802.03	3,186.85	3,842.26	3,243.69	
Cash and cash equivalents at the end of the year	(1,896.48)	3,802.03	(1,822.44)	3,842.26	
Components of cash and cash equivalents					
Cash on hand	4.31	3.34	4.32	3.34	
Balances with banks					
In current accounts	673.10	1,133.87	747.13	1,174.10	
In deposit accounts with original maturity for less than 3 months		2,899.06		2,899.06	
Cash and cash equivalents	677.41	4,036.27	751.45	4,076.50	
Bank overdraft/Cash credit facilities	(2,573.89)	(234.24)	(2,573.89)	(234.24)	
Total cash and cash equivalents considered for cash flows	(1,896.48)	3,802.03	(1,822.44)	3,842.26	

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- 4 The financial results included in the above statement of standalone and consolidated results includes the financial information of two subsidiaries 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.
- 5 These 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
- 6 a) The National Company Law Tribunal, Mumbai Bench, has approved the Scheme of Amalgamation between the Parent i.e. DIL Limited (DIL) and Fermenta Biotech Limited (FBL) and their respective shareholders. The Scheme has become effective from 26th September, 2019. The appointed date of the Scheme is 1st April, 2018. Accordingly, the effect of the Scheme has been given in these standalone and consolidated financial results for the quarter and year ended 31st March, 2020 and the figures for the corresponding previous periods/year have been restated. The amalgamation has been accounted as common control transaction in accordance with Appendix C of Ind AS 103 "Business Combinations". The remaining shareholders of erstwhile FBL (i.e. other than the Parents) and the ESOP Trust of erstwhile FBL have been issued on 10th October, 2019, 442,982 equity shares and 194,555 equity shares respectively, in the ratio of 100 shares of ₹ 5 each in DIL for every 251 shares of ₹ 10 each held in erstwhile FBL. The name of the amalgamated company has been changed from DIL Limited to Fermenta Biotech Limited vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai dated 17th October, 2019.
- b) In view of the amalgamation referred to in note 6(a) above, the Company has filed an amalgamated return of income for the assessment year 2019-2020 and utilised carried forward losses and depreciation in respect of which DIL had recognised a Deferred tax asset as at 31st March, 2019
- c) During the quarter ended 30th September, 2019, the management has reassessed the recoverability of MAT credit entitlement and recognised MAT credit of ₹ 4,542.13 Lakhs (presented within deferred tax asset). Further, there has been a change in the Minimum alternative tax rate from 18% to 15% plus applicable surcharge and health and education cess thereon as enacted in the Taxation Law (Amendment) Ordinance, 2019 and also a change in the income tax rate from 30% to 25% plus applicable surcharge and health and education cess thereon as enacted in the Union Budget, 2019 for companies which have turnover less than 400 crores for the financial year 2017-18. Accordingly, the Company has measured the deferred taxes (other than MAT credit entitlement as referred above) as at 30th September, 2019 at the eligible tax rate of 25% plus applicable surcharge and health and education cess thereon.
- d) The combined effects of the above 6(b) and 6(c) have been included in the tax expense for the year ended 31st March, 2020: reversal of current tax by ₹ 510.03 Lakhs and net credit for deferred tax of ₹ 1,611.08 Lakhs
- 7 During the quarter ended 31st December 2019, the Board of directors had declared an interim dividend of 100% (₹ 5.00 per equity share of ₹ 5 each) for the financial year 2019-20 which has been paid during the quarter
- 8 Based on the recommendation of the Board of Directors in its meeting held on 24th December, 2019, the members of the Company through Postal Ballot approved on 28th January, 2020, the issue of bonus shares in the ratio of two fully paid up equity shares of ₹ 5/- each for every one existing fully paid up equity share of ₹ 5/- each held by the members. The Record date for implementation of above corporate events had been fixed at 14th February, 2020. In view of the above, the company's revised paid up capital as at 31st March 2020 is ₹ 1,442.37 Lakhs consisting of 28,847,322 equity shares of ₹ 5 each (net of ₹ 29.18 Lakhs consisting of 5,83,665 equity share of ₹ 5 each held by ESOP Trust) as against: paid up share capital and share pending issuance of ₹ 480.79 Lakhs each consisting of 9,615,774 equity shares of ₹ 5 each pertaining to previous periods.
- The earnings per share have been adjusted for previous periods 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.
- 9 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 profit after tax for the quarter and year ended 31st March, 2020 in the standalone financial results and the consolidated financial results, respectively
- 10 The World Health Organisation (WHO) declared Covid-19 to be a global pandemic in March 2020. The lockdown and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to the Company
- In Compliance with the directions issued by the Government of India, the Company had suspended operations at two of our manufacturing locations in Dohahej, Gujarat and Kullu, Himachal Pradesh with effect from 25th March 2020 to ensure the safety of our employees and their families and to contain the spread of COVID-19
- The Company was granted permission by the District Magistrate, to partially run both of our plants, for manufacturing of Essential Commodities. In view of the same, the Company had resumed partial operations at Kullu plant from 3rd April 2020 and Dohahej plant from 4th April 2020.
- The Company has adopted work from home policy during the entire duration of lockdown in its corporate office and R&D centre at Thane since 16th March 2020
- As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial results by the Board of Directors, the Company believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of assets. The eventual outcome of the impact of the global health pandemic may be different from those-estimated as on the date of approval of these standalone financial results and consolidated financial results and the Company will closely monitor any material changes to the economic environment and their impact on its business in the time to come.
- 11 The Company had given to non-related party, advances in the nature of Inter Corporate Deposits and trade advances over the period of last twenty months for the development of the new product i.e. cholesterol from Fish Oil. The total amount outstanding as on March 31, 2020 is ₹ 2,430.88 lakhs, including interest of ₹ 198.88 lakhs. The Company has started the export sales of the new product and is confident that it shall be able to recover the trade advances and inter corporate deposit amount alongwith interest in next 12 months period. The statutory auditors have modified their audit report in respect of the foregoing matter.
- 12 The figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2020 and 31st March, 2019 and the unaudited published year to date figures upto the nine months ended 31st December, 2019 and 31st December, 2018 restated as described in note 6(a)] of the relevant financial year which were subject to limited review by the statutory auditors
- 13 a) The above standalone and consolidated financial results of the Company for the quarter and year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 23rd June, 2020
- b) The standalone and consolidated financial statements of the Company for the year ended 31st March, 2020 will be reviewed by the Audit Committee and approved by the Board of Directors at a subsequent date.

Place: Thane
29th June, 2020

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Krishna Datia
Krishna Datia
Managing Director

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

Fermenta Biotech Limited (Formerly known as DIL Limited)

Qualified Opinion and Conclusion

We have (a) audited the Standalone Financial Results and the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results and the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of Fermenta Biotech Limited (Formerly known as DIL Limited) ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/ loss of its associate for the quarter and year ended March 31, 2020, ("the Statement"), being submitted by the Parent, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Qualified Opinion on Annual Standalone Financial Results and Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of the subsidiaries referred to in Other Matters section below, and except for the possible effects of the matter described in Basis for Qualified Opinion section below, the Statement for the year ended March 31, 2020:

i. includes the results of the following entities in the Consolidated Financial Results, included in the Statement:

Parent
1. Fermenta Biotech Limited (Formerly known as DIL Limited)
Subsidiaries
2. Aegean Properties Limited
3. CC Square Films Limited
4. G. I. Biotech Private Limited
5. Fermenta Biotech (UK) Limited
6. Fermenta Biotech GmbH
Associate
7. Health and Wellness India Private Limited

ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, respectively, of the net standalone profit/ consolidated profit, total standalone comprehensive income/ total consolidated comprehensive income and other financial information of the Parent and the Group for the year ended March 31, 2020.

(b) Qualified Conclusion on Unaudited Standalone Financial Results and Unaudited Consolidated Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results and Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the auditors reports for the year ended March 31, 2020 of the other auditors referred to in Other Matters section below, and except for the possible effects of the matter described in Basis for Qualified Conclusion section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results and Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, 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.

Basis for Qualified Opinion on the Audited Standalone Financial Results and Consolidated Financial Results for the year ended March 31, 2020 and

Basis for Qualified Conclusion on the Unaudited Standalone Financial Results and Consolidated Financial Results for the quarter ended March 31, 2020

The Parent has given (unsecured) Inter-corporate deposits in various tranches to another entity over the last twenty months. During the year, the Parent has also given trade advances to the same entity. The amount outstanding as on March 31, 2020 is Rs. 2,430.88 Lakhs, including interest of Rs. 198.88 Lakhs. The deposits are repayable within one year from the date of entering into the ICD agreement and are further renewable such that the total period of deposits does not exceed three years. No Interest has been recovered on these deposits since inception. As per that entity's the latest available audited financial statements for the year ended March 31, 2019, the entity is dominantly dependent on borrowings, including from banks, and the net worth is marginal. Further, the directors of that entity have in their report stated that no provision for interest has been made as per mutually agreed terms. The Management of the Parent has represented to us that they have not entered into any such terms that would result in non-receipt of interest. For the reasons stated in note 11, the Management of the Parent believes that no impairment on these Inter-corporate deposits including interest accrued on such deposits is deemed necessary. Having regard to the foregoing and in the absence of sufficient appropriate audit evidence, we are unable to comment whether the aforesaid trade advances and Inter-corporate deposits including interest accrued on such deposits would be recoverable including the consequential impact, if any, of such impairment that may be required to be made in both, in the standalone audited financial results and in the consolidated audited financial results.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results and Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred

to in Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

Management’s Responsibilities for the Statement

This Statement, which includes the Standalone Financial Results and Consolidated Financial Results is the responsibility of the Parent’s Board of Directors and has been approved by them for issuance. The Standalone Financial Results and Consolidated Financial Results for the year ended March 31, 2020, have been compiled from the related audited interim standalone financial information and audited interim consolidated financial information, respectively. This responsibility includes the preparation and presentation of the Standalone Financial Results and Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net standalone profit/ consolidated profit, standalone other comprehensive income/ consolidated other comprehensive income and other financial information of the Parent, and the Group including its associate in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these Standalone Financial Results and Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Standalone Financial Results and Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor’s Responsibilities

(a) Audit of the Standalone Financial Results and Consolidated Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results and Consolidated Financial Results for the year ended March 31, 2020, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results and Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results and Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results and Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results and Annual Consolidated Financial Results, including the disclosures, and whether the Annual Standalone Financial Results and Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial information of the entities within the Group and its associate to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results and Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results and Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results and Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent included in the Standalone Financial Results and Consolidated Financial Results where we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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(b) Review of the Standalone Financial Results and Consolidated Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results and Consolidated Financial Results for the quarter ended March 31, 2020, respectively, 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company'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 SA specified under section 143(10) of the Act 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.

The Consolidated Financial Results, included in the Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

As part of our annual audit 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.

Other Matters

- Due to COVID-19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management of the Parent subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidance provided in the Standard on Auditing 501 "Audit Evidence – Specific Consideration for Selected Items", which includes inspection of supporting documents, on test check basis, relating to purchases, production, sales, results of cyclical counts performed by the Management of the Parent through the year and such other third party evidences as applicable, and have obtained sufficient appropriate audit evidence to issue an unmodified opinion on the Annual Standalone Financial Results and Annual Consolidated Financial Results. Our report on the Statement is not modified in respect of this matter.
- As stated in Note 6(a) to the Statement, pursuant to the Scheme of Amalgamation of erstwhile Fermenta Biotech Limited, as stated in the said Note, into the Company becoming effective during the quarter ended September 30, 2019, the corresponding financial information for the quarter and year ended March 31, 2019 has been restated. Our report on the Statement is not modified in respect of this matter.
- As stated in Note 12 to the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figure between the annual audited figures for the year then ended and the year to date figures for the nine month period ended December 31, 2018 [both restated, as described in paragraph above]. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.
- We did not audit the financial statements of 3 subsidiaries, included in the Consolidated Financial Results, included in the Statement, whose financial statements reflect total assets of Rs. 146.18 Lakhs as at March 31, 2020 and total revenues of Rs. 18.02 Lakhs for the year ended March 31, 2020, total net profit after tax of Rs. 6.33 Lakhs for the year ended March 31, 2020 and total comprehensive income (net) of Rs. 6.33 Lakhs for the year ended March 31, 2020 and net cash outflows of Rs. 1.64 Lakhs for the year ended March 31, 2020, as considered in the Consolidated Financial Results, included in the Statement. The above figures are before giving effect of any consolidation adjustments. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Parent and our opinion and conclusion

Deloitte Haskins & Sells LLP

on the Consolidated 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 under Auditor's Responsibilities section above.

Our report on the Consolidated Financial Results, included in the Statement, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- The Consolidated Financial Results includes the unaudited financial information of 2 subsidiaries, whose financial information reflect total assets of Rs. 2,327.99 Lakhs as at March 31, 2020 and total revenues of Rs. 85.71 Lakhs for the year ended March 31, 2020, total net loss after tax of Rs. 223.85 Lakhs for the year ended March 31, 2020 and total comprehensive loss of Rs. 223.85 Lakhs for the year ended March 31, 2020 and net cash inflows of Rs. 35.44 Lakhs for the year ended March 31, 2020, as considered in the Consolidated Financial Results, included in the Statement. The Consolidated Financial Results also includes the Group's share of profit/(loss) after tax of Rs. Nil for the year ended March 31, 2020 and total comprehensive income of Rs. Nil for the year ended March 31, 2020, as considered in the Consolidated Financial Results, included in the Statement, in respect of an associate, whose financial information have not been audited by us. The above figures are before giving effect of any consolidation adjustments. These financial information are unaudited and have been furnished to us by the Management of the Parent and our opinion and conclusion on the Consolidated Financial Results, included in the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Parent's Board of Directors, these financial information are not material to the Group.

Our report on the Consolidated Financial Results, included in the Statement, is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Parent's Board of the Directors.

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



Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN: 20036920AAAABY8985)

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Place: Mumbai

Date: June 29, 2020

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted
along-with Annual Audited Financial Results - (Standalone)

(Rs. in Lakhs, except for earnings per share)

Statement on Impact of Audit Qualifications on Standalone Financial Results for the Financial Year ended March 31, 2020				
[Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	31,281.97	Not determinable
	2.	Total Expenditure	26,527.30	
	3.	Net Profit/(Loss)	6,367.04	
	4.	Earnings Per Share	22.07	
	5.	Total Assets	60,961.07	
	6.	Total Liabilities	29,700.88	
	7.	Net Worth	31,260.19	
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	(a) Details of Audit Qualification: The Company has given (unsecured) Inter-corporate deposits in various tranches to another entity over the last twenty months. During the year, the Company has also given trade advances to the same entity. The amount outstanding as			

	<p>on March 31, 2020 is Rs. 2,430.88 Lakhs, including interest of Rs. 198.88 Lakhs. The deposits are repayable within one year from the date of entering into the ICD agreement and are further renewable such that the total period of deposits does not exceed three years. No Interest has been recovered on these deposits since inception. As per that entity's the latest available audited financial statements for the year ended March 31, 2019, the entity is dominantly dependent on borrowings, including from banks, and the net worth is marginal. Further, the directors of that entity have in their report stated that no provision for interest has been made as per mutually agreed terms. The Management of the Company has represented to us that they have not entered into any such terms that would result in non-receipt of interest. For the reasons stated in note 11, the Management of the Company believes that no impairment on these Inter-corporate deposits including interest accrued on such deposits is deemed necessary. Having regard to the foregoing and in the absence of sufficient appropriate audit evidence, we are unable to comment whether the aforesaid trade advances and Inter-corporate deposits including interest accrued on such deposits would be recoverable including the consequential impact, if any, of such impairment that may be required to be made in both, in the standalone audited financial results and in the consolidated audited financial results.</p>
	<p>(b) Type of Audit Qualification: Qualified Opinion / Disclaimer of opinion / Adverse opinion</p>
	<p>(c) Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p>
	<p>(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p>

(e) For Audit Qualification(s) where the impact is not quantified by the auditor: The Company had given to non-related party, advances in the nature of Inter Corporate Deposits and trade advances in various tranches over the period of last twenty months for the development of the new product i.e. cholesterol from Fish Oil. The total amount outstanding as on March 31, 2020 is Rs. 2,430.88 lakhs, including interest of Rs. 198.88 lakhs. The Company has started the export sales of the new product and is confident that it shall be able to recover the trade advances and Inter corporate deposit amount alongwith interest in next 12 months period. The statutory auditors have modified their audit report in respect of the foregoing matter.

(i) Management's estimation on the impact of audit qualification:

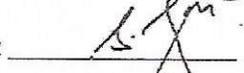
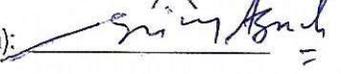
Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:

The advance in the nature of ICD and trade advances were against development of the new product i.e. cholesterol from Fish Oil. The sales of the product has also commenced. Hence the management is unable to estimate the impact.

(iii) Auditors' Comments on (i) or (ii) above: Audit qualification as reproduced above is self explanatory.

III. Signatories:

- Mr. Krishna Datla (Managing Director): 
- Mr. Sumesh Gandhi (Chief Financial Officer): 
- Mr. Sanjay Buch (Audit Committee Chairman): 
- For Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company):
Mr. Rajesh K Hiranandani (Partner): 
(Membership No. 36920) (Firm's Registration No. 117366W/W-100018)

Place: Thane
Date: June 29, 2020

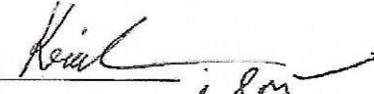
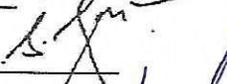
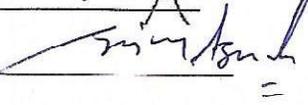
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted
along-with Annual Audited Financial Results - (Consolidated)

(Rs. in Lakhs, except for earnings per share)

Statement on Impact of Audit Qualifications on Consolidated Financial Results for the Financial Year ended March 31, 2020 [Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	30,527.22	Not determinable
	2.	Total Expenditure	26,185.21	
	3.	Net Profit/(Loss)	5,952.02	
	4.	Earnings Per Share	20.63	
	5.	Total Assets	61,367.45	
	6.	Total Liabilities	30,422.67	
	7.	Net Worth	30,944.78	
	8.	Any other financial item(s) (as felt appropriate by the management)		

II.	<p>Audit Qualification (each audit qualification separately):</p> <p>(a) Details of Audit Qualification: The Parent has given (unsecured) Inter-corporate deposits in various tranches to another entity over the last twenty months. During the year, the Parent has also given trade advances to the same entity. The amount outstanding as on March 31, 2020 is Rs. 2,430.88 Lakhs, including interest of Rs. 198.88 Lakhs. The deposits are repayable within one year from the date of entering into the ICD agreement and are further renewable such that the total period of deposits does not exceed three years. No Interest has been recovered on these deposits since inception. As per that entity's the latest available audited financial statements for the year ended March 31, 2019, the entity is dominantly dependent on borrowings, including from banks, and the net worth is marginal. Further, the directors of that entity have in their report stated that no provision for interest has been made as per mutually agreed terms. The Management of the Parent has represented to us that they have not entered into any such terms that would result in non-receipt of interest. For the reasons stated in note 11, the Management of the Parent believes that no impairment on these Inter-corporate deposits including interest accrued on such deposits is deemed necessary. Having regard to the foregoing and in the absence of sufficient appropriate audit evidence, we are unable to comment whether the aforesaid trade advances and Inter-corporate deposits including interest accrued on such deposits would be recoverable including the consequential impact, if any, of such impairment that may be required to be made in both, in the standalone audited financial results and in the consolidated audited financial results.</p>
	<p>(b) Type of Audit Qualification: Qualified Opinion / Disclaimer of opinion / Adverse opinion</p>
	<p>(c) Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p>

	<p>(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p>
<p>III.</p>	<p>(e) For Audit Qualification(s) where the impact is not quantified by the auditor: The Company had given to non-related party, advances in the nature of Inter Corporate Deposits and trade advances in various tranches over the period of last twenty months for the development of the new product i.e. cholesterol from Fish Oil. The total amount outstanding as on March 31, 2020 is Rs. 2,430.88 lakhs, including interest of Rs. 198.88 lakhs. The Company has started the export sales of the new product and is confident that it shall be able to recover the trade advances and Inter corporate deposit amount alongwith interest in next 12 months period. The statutory auditors have modified their audit report in respect of the foregoing matter.</p> <p>(i) Management's estimation on the impact of audit qualification: Not Applicable</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: The advance in the nature of ICD and trade advances were against development of the new product i.e. cholesterol from Fish Oil. The sales of the product has also commenced. Under the circumstances it is not possible to estimate the impact.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: Audit qualification as reproduced above is self explanatory</p> <p>Signatories:</p>

- Mr. Krishna Datla (Managing Director): 
- Mr. Sumesh Gandhi (Chief Financial Officer): 
- Mr. Sanjay Buch (Audit Committee Chairman): 
- For Deloitte Haskins & Sells LLP, Chartered Accountants (Statutory Auditors of the Company):
Mr. Rajesh K Hiranandani (Partner): 
(Membership No. 36920) (Firm's Registration No. 117366W/W-100018)

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Date: June 29, 2020